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# Endline report – India, RGVN MFS II country evaluations

Capacity of Southern Partner Organisations (5C) component

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This report presents the findings of the endline of the evaluation of the organisational capacity component of the MFS II country evaluations. The focus of this report is India, RGVN. The format is based on the requirements by the synthesis team and NWO/WOTRO. The endline was carried out in 2014. The baseline workshop was carried out in 2012 (interview with director in 2013).

Key words: 5C (five core capabilities); attribution; baseline; causal map; change; CFA (Co-financing Organisation) endline; organisational capacity development; SPO (Southern Partner Organisation).



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The India 5C evaluation team

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# List of abbreviations and acronyms

5 C	Capacity development model which focuses on 5 core capabilities
BRLF	Bharat Rural Livelihoods Foundation
Causal map	Map with cause-effect relationships. See also 'detailed causal map'.
Causal mechanisms	The combination of parts that ultimately explains an outcome. Each part of the mechanism is an individually insufficient but necessary factor in a whole mechanism, which together produce the outcome
CDI	Centre for Development Innovation, Wageningen UR
CFA	Co-Financing Agency
CPSE	Central Public Sector Enterprise
CSR	Corporate Social Responsibility
CU	Concern Universal
Detailed causal map	Also 'model of change'. the representation of all possible explanations – causal pathways for a change/ outcome. These pathways are that of the intervention, rival pathways and pathways that combine parts of the intervention pathway with that of others. This also depicts the reciprocity of various events influencing each other and impacting the overall change. In the 5C evaluation identified key organisational capacity changes and underlying reasons for change (causal mechanisms) are traced through process tracing (for attribution question).
EU	European Union
General causal map	Causal map with key organisational capacity changes and underlying reasons for change (causal mechanisms), based on SPO perception.
HR	Human Resources
IDF	India Development Foundation
IFHD	India Foundation for Humanistic Development
IIMP	Invest India Micro Pension
JTT	Jamsedji Tata Trust, Mumbai
L&T	Larsen & Toubro
M&E	Monitoring and Evaluation
MF	Microfinance
MFS	Dutch co-financing system
MGNREGA	Mahatma Gandhi National Rural Employment Guarantee Act
MIS	Management Information System
NCSRHET	National Corporate Social Responsibility Hub Empanelment team
NGO	Non-Governmental Organisation.
NTFP	Non-Timber Forest Produce
OD	Organisational Development
PME	Planning, Monitoring and Evaluation
ProCIF	Producer Entrepreneurship Catalyst and Incubation Facility
Process tracing	Theory-based approach to trace causal mechanisms
PSU	Public Sector Unit
RGVN	Rashtriya Gramin Vikas Nidhi
RTE	Right to Education
RTI	Right to Information
SDDT	Sir Dorabji Tata Trust
SHG	Self Help Group
SIDBI	Small Industrial Development Bank of India
SLEEP	Sustainable Livelihood Enhancement and Enterprise Promotion
SPO	Southern Partner Organisation
SRI	System of Rice Intensification
ToC	Theory of Change
Wageningen UR	Wageningen University & Research centre

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# 1 Introduction & summary

## 1.1 Purpose and outline of the report

The Netherlands has a long tradition of public support for civil bi-lateral development cooperation, going back to the 1960s. The Co-Financing System (*Medefinancieringsstelsel*, or 'MFS') is its most recent expression. MFS II is the 2011-2015 grant framework for Co-Financing Agencies (CFAs), which is directed at achieving a sustainable reduction in poverty. A total of 20 consortia of Dutch CFAs have been awarded €1.9 billion in MFS II grants by the Dutch Ministry of Foreign Affairs (MoFA).

The overall aim of MFS II is to help strengthen civil society in the South as a building block for structural poverty reduction. CFAs receiving MFS II funding work through strategic partnerships with Southern Partner Organisations.

The MFS II framework stipulates that each consortium is required to carry out independent external evaluations to be able to make valid, evaluative statements about the effective use of the available funding. On behalf of Dutch consortia receiving MFS II funding, NWO-WOTRO has issued three calls for proposals. Call deals with joint MFS II evaluations of development interventions at country level. Evaluations must comprise a baseline assessment in 2012 and a follow-up assessment in 2014 and should be arranged according to three categories of priority result areas as defined by MoFA:

Achievement of Millennium Development Goals (MDGs) & themes;

Capacity development of Southern partner organisations (SPO) (5 c study);

Efforts to strengthen civil society.

This report focuses on the assessment of capacity development of southern partner organisations. This evaluation of the organisational capacity development of the SPOs is organised around **four key evaluation questions**:

1. *What are the changes in partner organisations' capacity during the 2012-2014 period?*
2. *To what degree are the changes identified in partner capacity attributable to development interventions undertaken by the MFS II consortia (i.e. measuring effectiveness)?*
3. *Were the efforts of the MFS II consortia efficient?*
4. *What factors explain the findings drawn from the questions above?*

The purpose of this report is to provide endline information on one of the SPOs involved in the evaluation: RGVN in India. The baseline report is described in a separate document.

Chapter 2 describes general information about the Southern Partner Organisation (SPO). Here you can find general information about the SPO, the context in which the SPO operates, contracting details and background to the SPO. In chapter 3 a brief overview of the methodological approach is described. You can find a more detailed description of the methodological approach in appendix 1. Chapter 4 describes the results of the 5c endline study. It provides an overview of capacity development interventions of the SPO that have been supported by MFS II. It also describes what changes in organisational capacity have taken place since the baseline and why (evaluation question is 1 and 4). This is described as a summary of the indicators per capability as well as a general causal map that provides an overview of the key organisational capacity changes since the baseline, as experienced by the SPO. The complete overview of descriptions per indicator, and how these have changed since the baseline is described in appendix 3. The complete visual and narrative for the key organisational capacity changes that have taken place since the baseline according to the SPO staff present at the endline workshop is presented in appendix 4.

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Chapter 5 presents a discussion on the findings and methodology and a conclusion on the different evaluation questions.

The overall methodology for the endline study of capacity of southern partner organisations is coordinated between the 8 countries: Bangladesh (Centre for Development Studies, University of Bath; INTRAC); DRC (Disaster Studies, Wageningen UR); Ethiopia (CDI, Wageningen UR); India (CDI, Wageningen UR; Indonesia (CDI, Wageningen UR); Liberia (CDI, Wageningen UR); Pakistan (IDS; MetaMeta); Uganda (ETC). Specific methodological variations to the approach carried out per country where CDI is involved are also described in this document.

This report is sent to the Co-Financing Agency (CFA) and the Southern Partner Organisation (SPO) for correcting factual errors and for final validation of the report.

## 1.2 Brief summary of analysis and findings

Over the last two years, RGVN has seen no change in its overall capability to act and commit. The main improvements were the daily operations, staff skills, trainings and RGVN's proposal writing capacity. There was however a slight deterioration in staff incentives and RGVN's funding situation. In the overall capability to adapt and self-renew RGVN also showed no change, though management became more responsive to critical reflection and there was a very slight improvement in M&E application. In terms of the overall capability to deliver on development objectives, there has been no change. RGVN has only improved very slightly in balancing quality and efficiency. In the overall capability to relate there was again no change. RGVN very slightly improved its relations with government departments and the private sector. Finally, RGVN showed no change in the overall capability to achieve coherence but has revisited their strategies which are still in line with their vision and mission.

The evaluators considered it important to also note down the SPO's perspectives on the most important changes in in the organisation since the baseline. During the endline workshop the key organisational capacity changes that were brought up by RGVN's staff were: improved staff capacity to train partners on technology and other issues; and improved relationships with networks. According to RGVN their capacity in training their partners improved partly because of the field experience that they gained and trainings and exposure visits they went on that were funded by Hivos (MFS II), SIDBI and SDTT. RGVN staff got more access to trainings and visits because of gap identification and a change in the strategic plan which required staff to develop new skills. The gaps were identified as a result of fortnightly meetings and strengthened M&E because of donor (Hivos) requirements. RGVN improved its relationships with the government, market, PSUs and private sector. The relations with the government improved because of the new programmes RGVN is involved in and because of some trainings of government department that they attended. The linkages with the market improved because of new programmes and trainings by Hivos, SDTT and SIDBI. The relations with PSUs and the private sector improved because of new programmes and RGVN obtaining a CSR eligibility certificate. RGVN improved its network with government, market, PSUs and the private sector also because of working on new programmes that fitted their new sustainable livelihood strategic focus of RGVN, which was triggered by floods, the Phailin cyclone, the microfinance crisis and the changes in donor's priorities (from microfinance to agriculture/livelihoods). According to RGVN, MFS II funded capacity development interventions have played a role in the key organisational capacity changes, particularly in terms of improving their staff capacity to train partners on technology and other issues and improved linkages with the market.



## 2 General Information about the SPO – RGVN

### 2.1 General information about the Southern Partner Organisation (SPO)

Country	India
Consortium	People Unlimited
Responsible Dutch NGO	Hivos
Project (if applicable)	<ul style="list-style-type: none"> <li>• Graduating NGOs in Micro Finance Institutions (MFIs) in the state of Odisha</li> <li>• Sustainable livelihood enhancement and enterprise promotion (SLEEP)</li> </ul>
Southern partner organisation	Rashtriya Gramin Vikas Nidhi (RGVN)

The project/partner is part of the sample for the following evaluation component(s):

Achievement of MDGs and themes	X
Capacity development of Southern partner organisations	X
Efforts to strengthen civil society	

### 2.2 The socio-economic, cultural and political context in which the partner operates

Rastriya Gramya Vikas Nidhi (RGVN) was established and registered in 1990 with its headquarters at Guwahati (North-East India). In 1992 the operational area was extended and RGVN regional unit Bhubaneswar was established with the aim to create sustainable livelihoods for rural poor where women are given priority. At the first hand, RGVN had tried to address the credit (in the form of soft loans) and basic capacity building (in the form of grants) needs of the rural family to ensure sustainable livelihood for them. On the other hand to make this process more effective and sustainable, RGVN had tried to deliver its support (both loan and grant) through local grassroots level civil societies (CBOs/ NGOs). This process of support not only addresses the livelihood issues of poor people but also provides adequate scope for local fledging initiatives/NGOs to be nurtured and strengthened under the ambit of RGVN'S support. RGVN Bhubaneswar operates in the tribal dominated regions of western Odisha, southern Odisha, northern Odisha and selective coastal plain areas of Odisha and six coastal districts of Andhra Pradesh. RGVN received MFS II funding for graduating NGOs in Microfinance institutions programme which was stopped in mid-2012 due to the microfinance crisis. Then the focus was shifted to Sustainable Livelihood Enhancement and Enterprise Promotion programme funded by MFS II.

The tribal population in the state of Odisha is 22.1 percent of the total population as per the Ministry of Tribal Affairs Annual Report 2013-2013. As per the report of 2013-2014<sup>1</sup> of the Directorate of Economics and Statistics Odisha, the percentage share of agriculture in total Gross Domestic Product at current prices is 19.61 percent and its annual growth for that year is 12.35 percent. Agriculture along with animal husbandry contributes 12.74 percent in total GSDP during the year 2013-2014. Livelihood of the tribal regions is dependent on Non-Timber Forest Produce (NTFP) also known as minor forest produce. The Tribal economy is mainly dependent on subsistence agriculture with forest

<sup>1</sup> [http://www.odisha.gov.in/pc/Download/Economic\\_Survey\\_2013-14.pdf](http://www.odisha.gov.in/pc/Download/Economic_Survey_2013-14.pdf)

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forming an essential part of their livelihood.<sup>2</sup> As per the Government Estimates, a total of 100 million forest dwellers are dependent on Minor Forest Produce (MFP) for food, shelter, medicines, cash income etc. Despite being rich in NTFP products there has been gross underutilization of NTFP products which has adversely affected livelihood of the region for the poor forest dwellers. Lack of information, skill and opportunity for the tribals also makes underutilisation of NTFP products for livelihood. Poverty is further increased due to low social status of women, who comprise a substantial section working in collection of NTFP products. Forest and forest products contribute significantly to the state's economy. As part of Odisha government's Forestry Vision, 2020, The State Forest and Environment Department finalized its strategies to focus on: increased flow of Non-Timber Forest Produce NTFPs and wood, biodiversity conservation and strategies and higher allocations, investment, insurance and incentives for better forest management.

The main source of income of the people is agriculture and allied activities. Low production is further influenced by increasing cost of cultivation due to use of fertilizers, pesticides provided by private suppliers. As most of the farmers are poor and in order to sustain their livelihoods there is dependence on informal lending leading to moneylenders demanding exorbitant interest rates from the farmers. Cultivation is also affected by the natural calamities in the region especially cyclones (e.g. Phailin 2013) and flood (e.g. 2011 & 2014).

Microfinance institutions were a help for the small/poor farmers to receive loans/credits to sustain and promote their livelihood. In this regard the formal financial institutions / banks have had a remarkable contribution to bring the rural poor under the benefit of small financial services (only small credit) through SHG bank linkage program. However, SHGs/Cooperatives faced the MFI (Micro-Finance Institution) crisis due to over lending, irregularities in the operation of the cooperatives etc. Due to a sharp fall in the repayment and the MFI crisis formal financial institutions/banks stopped lending/funding SHGs/Cooperatives.

In 2013, the state government of Odisha addressed the MFI crisis by promulgating the Odisha Self-Help Co-operatives Ordinance 2013 by repealing the Odisha Self-Help Cooperatives Act 2001, and by bringing all the cooperatives under the original 1962 Act. This was done in order to regulate all non-banking financial companies, including the co-operative credit societies operating under the Orissa Self-Help Co-operative Act, 2001. It was identified that there had been irregularities in the operation of the cooperatives and misappropriation of depositors' money. With the repeal of the 2001 Act, the government increased its control over these co-operative credit societies and curbed their independent functioning. For example, the business transactions of these societies would be regularly audited either by a panel of independent auditors or by government auditors. After such an audit these societies would amend their laws and report to the Registrar of Cooperative Societies within three months. When such a society failed to elect its board members every five years, the Board of Directors of such a cooperative credit society is dissolved. In this case the management of the cooperative society is vested in the Registrar of Cooperative Societies, who can then make changes in the organisation as per the provisions of the Odisha Cooperative Societies Act, 1962.

In this situation RGVN plays a vital role in creating livelihood opportunities, particularly for women and their skill development, formation of producer groups, strengthening market linkages and supporting the marginalized access to government schemes. Government's new regulation to bring all the cooperatives and SHGs management under its control will further strengthen RGVN's effort to help poor and marginalized people to be uplift socially and economically.

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<sup>2</sup> <http://tribal.nic.in/WriteReadData/CMS/Documents/201410170519295222004StatisticalProfileofSTs2013.pdf>

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## 2.3 Contracting details

When did cooperation with this partner start: 2000

What is the MFS II contracting period: 2011-2015

- *Graduating NGOs into Micro Finance Institutions in the state of Odisha – Phase II*: 1 July 2009 till 30 June 2012 (under MFS II from 1 January 2011 – 30 June 2012).
- *Sustainable livelihood enhancement and enterprise promotion (SLEEP) in Odisha*: 1 July 2012 till 30 June 2015.

Did cooperation with this partner end? No

If yes, when did it finish? NA

What is the reason for ending the cooperation with this partner: NA

Is there any expected collaboration after 30 June 2015? Further collaboration is not foreseen after the end date of the current contract that runs until 30 June 2015. This in relation to the changes in the nature of Hivos' work due to the reduced funding from the Dutch Ministry of Foreign Affairs. It could be that Hivos will work with RGVN in the future if the work of this partner fits well within a new programme or project of Hivos.

## 2.4 Background to the Southern Partner Organisation

### History

Rashtriya Gramin Vikas Nidhi (RGVN) Bhubaneswar works in Odisha and two districts of Andhra Pradesh (Srikakulam and Vizianagaram) to improve the economic and social status of the poor and underprivileged rural and urban people through sustainable livelihood, skill development and graduating individual groups into entrepreneurship.

In 1988, Mr. S.N. Paliya, the executive director of IDBI bank, got together with like-minded people like Laxmi Chand Jain (Indian Ambassador to South Africa, respected Gandhian thinker and later member of the Planning Commission of India), Deep Joshi (credited for bringing professionalism to the NGO sector in India, winner of Magsaysay award for Community Leadership 2009, and co-Founder of Pradan, a network of MFI organisations), and Brij Mohan (Head of SIDBI). They wanted to establish an organisation that would strengthen grass roots level organisations and help them grow and focus on the poor to provide them with a regular source of income. They decided to choose those organisations that had the intention of helping the poor irrespective of their legal registration status. Trust was the only collateral they were looking for. They wanted to prove that the poor were credit worthy. Their priority was north-eastern states and tribal areas of India.

In 1990, RGVN was established and registered under the Society's Registration Act of 1860 with its headquarters in Guwahati. In 1992 operations were extended by establishing regional branches in Bihar, Odisha and Andhra Pradesh. The objective was to support emergent organisations and encourage income generation activities of the poor. Loans were given at 6% rate of interest with reducing balance.<sup>3</sup> The idea of providing loans on a returnable basis was to ensure and enable ownership. RGVN pioneered this concept at a time when people were accustomed to a culture of subsidies and grants. RGVN wanted to prove that the poor were credit worthy. They offered both returnable and non-returnable grants depending upon the need of the organisation.

In 1992 there was a debate in the development sector regarding the grant based and credit based development process in India. RGVN decided to experiment with community based organisations which were not officially registered and yet were trusted by the community, in Sambalpur, Odisha, and Kanker in Chhattisgarh (5 unregistered groups).

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<sup>3</sup> Method of calculating the interest amount on the principal balance (and not on the original loan amount) that reduces with repayment of each loan instalment.

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Between 1992 and 1997, the strategy of RGVN was not so much to recover the money given, but to reach the unreached people who had no alternative source of livelihood. Many times money was lost and not spent on what it was intended for as NGOs and the borrowers did not understand properly the dynamics of subsidy and credit.

In 1997-98 RGVN experimented with a model which would develop collaboration rather than competition among NGOs and for two consecutive years the network of 5 NGOs worked and it failed in the third year. The other experiment was creating a network with joint responsibilities in Baleswar district of Odisha with a mandate for joint management of credit and recovery. Selected NGOs within a minimum distance of 30 km and maximum of 60 km were chosen for this experiment and similar types of organisations were brought together under one network. One NGO appraised the other, setting up a system of mutual accountability. Such groups have been operating since the past 15 years. They apply for funds together from the government and international donors. In one such joint management program out of 5 NGOs one defaulted but the other 4 NGOs took on the responsibility of recovering loans that the defaulting organisation had disbursed.

Between 1997 and 2003, RGVN tried to find people with traditional sources of income which can be enhanced, and identify people with no access to bank loans. The strategy was to channel money in such a way that changes were visible in the lives of the clients in a short period of time. It becomes evident that RGVN wanted to expand during this period, as RGVN was convinced of the fact that the poor are not necessarily unworthy of credit. This phase of RGVN also saw major setbacks in terms of accountability within the organisation and transparency within the networks established till then. In 2003-2004 RGVN had created an inventory of dedicated NGOs and now the focus was to mobilise more funds to move from a loan range of 30,000-60,000 to 4-5 lakhs INR. In 1999, RGVN rehabilitated 500 victim families who lost their houses & livelihoods during the super cyclone which struck Odisha.

In 2005-2006, RGVN adopted the strategy of mentoring NGOs. Organisations with specific capabilities were hired and RGVN partners were systematically trained in delinquency management, risk mitigation and program strategies. In 2005, RGVN turned its Credit and Savings Programme in Odisha into a cooperative, named Utkal Mahila Swayam Sahayak Sammabaya Ltd. (UMaSS), and located in Ganjam district, Odisha. UMaSS was established and registered as a state level cooperative under the Odisha Self Help Cooperative Act, 2001. In 2006 the concept of microfinance and microcredit came to be accepted as a mode of cushioning poverty in India. Microfinance organisations like SKSS, Society for Action in Disability and Health (SADHAN) and BASIX came up, and poached employees of established organisations of the grass roots by paying higher salaries. Also they encroached upon the customer base by providing them higher loans and insurance packages.

Currently, RGVN gives loan at 15% to its partners, which in turn gives a loan at 24% interest to the SHGs. Over a period of time, partners have become long standing partners of RGVN, which has resulted in quicker and smoother disbursements. Earlier partners took 15 days to disburse 4-5 lakhs but now 40 lakhs are distributed within two days. This means that RGVN has been able to withstand the blow and its partners have survived by diversifying their activities.

In 2009 RGVN received MFS I fund from Hivos for the project "Graduating NGOs in to MF Institutions". Under this project it had outlined and piloted an action plan of institution building where four grassroots level NGOs in Odisha were selected to be graduated in to micro Finance institutions.

In 2009, MICROSOLVE conducted a training program on "Strategic Business Planning for Market led Financial Institutions" for RGVN executives. In 2010 RGVN Credit and Savings programme got the legal status of Non-banking Financial Company (NBFC) named RGVN (NE) Micro Finance Ltd.

During 2009 - 2010 while MFI was slowly gaining ground, the sudden crisis in the microfinance sector such as non-availability of funds for disbursement and sharp fall of repayment affected its operation. Due to this crisis the organisation went through a rough patch and flood in 2011 in the organisation's partner areas further worsened the situation. The partners' ability to recover loans meted out and pay back to RGVN was questionable in the face of such large scale disaster. The organization was not able to recuperate fully from the Microfinance crisis in 2009 and the floods in 2011.

In the 2011 board meeting there was a lot of debate on whether RGVN should give money that makes more money or if they should stick to their original goal of income cushioning for the poor. The MFS II

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funding for graduating NGOs in MFIs stopped in mid-2012. During this time RGVN Bhubaneswar shifted its focus from microfinance to sustainable livelihood enhancement of the target group. However, at this time this strategy was in a nascent stage. It received funds from Jamsedji Tata Trust to promote sustainable rural livelihoods in sub sectors like- Goatery, Bamboo work, vermicomposting, organic farming (vegetable & paddy farming through System of Rice Intensification (SRI) technology) and cycle rickshaw/trolley at the house hold level.

After the MFS II 5c baseline in August 2012 the executive board of RGVN decided to restrict external borrowings from banks and other financial institutions anticipating the inability of the partner organisations to repay RGVN. This compelled the organisation to think of converging and linking their projects and programmes with government programmes, the market, Public Sector Units (PSUs) and the private sector to enhance the livelihood security of the target groups.

During this period (after baseline in August 2012) RGVN initiated and funded "Bazaar on Wheels", a new project to strengthen producer organizations and their access to market. The project focuses especially on access to market for the women producer groups. In the post Phailin (October 2013) period RGVN in association with ACC Limited (formerly The Associated Cement Companies Limited) supports and rehabilitates the Phailin and flood affected people of Odisha. Also in collaboration with Larsen & Toubro (L&T), RGVN has taken up the project in the post Phailin period to provide placement to the semi-skilled Phailin and Flood effected people.

**Vision** [Source: Startegy\_Minutes]

Creating an enabling environment where the poor and underprivileged can ensure sustainable livelihood with dignity.

**Mission** [Source: Startegy\_Minutes]

To improve the economic and social status of the poor and underprivileged rural and urban people through combining Economic and Social intervention.

**Objectives and strategies** [Source: Startegy\_Minutes, Proposal-\_HIVOS\_by\_\_RGVN-revised.doc]

In order to achieve its mission RGVN's objectives are to:

- To create enabling environment for food security of rural and urban poor, physically and socio-economically handicapped people;
- To focus on the core livelihood sub sectors mainly NTFP, Agriculture and Allied agriculture, Dairy, Handicraft etc.
- Focus attention on people which are disadvantageously placed in society, but have the potential for pursuing socially and economically productive activities;
- Assist the rural and urban poor especially tribal, scheduled caste, women, physically handicap for economic improvement
- To build the internal capacity of the NGOs/COOPs/Federations/SHGs through capacity building and skill development trainings
- To build measures for gradually moving towards social and financial sustainability in a predefined period

RGVN in its endeavour towards achieving its goals works with NGOs/CBOs by providing them with financial, technical and management support.

To achieve the objectives RGVN has the following **strategies**:

Livelihood:

Create food security through various livelihood sub sector intervention focusing on NTFP, Agriculture and Allied, Dairy, Handicraft etc. Inculcating community mobilization skills among women in agriculture, NTFP and Bell Metal thereby demonstrating and articulating the benefits of the sustainable livelihood methods to them. Facilitate access to fair and remunerative markets including linking producer groups to marketing opportunities.

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Micro Enterprise Promotion:

Promotion of various livelihood development clusters and graduating those clusters in to Micro Enterprise. The model is graduating individuals (women) to SHGs to Producer federation to Producer Company/Cooperative through entrepreneurship development.

Capacity building and Skill Development:

Capacity building of SHGs and skill up-gradation through handholding, formal and vocational courses will be emphasized.

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# 3 Methodological approach and reflection

## 3.1 Overall methodological approach and reflection

This chapter describes the methodological design and challenges for the assessment of capacity development of Southern Partner Organisations (SPOs), also called the '5C study'. This 5C study is organised around **four key evaluation questions**:

1. What are the changes in partner organisations' capacity during the 2012-2014 period?
2. To what degree are the changes identified in partner capacity attributable to development interventions undertaken by the MFS II consortia (i.e. measuring effectiveness)?
3. Were the efforts of the MFS II consortia efficient?
4. What factors explain the findings drawn from the questions above?

It has been agreed that the question (3) around efficiency cannot be addressed for this 5C study. The methodological approach for the other three questions is described below. At the end, a methodological reflection is provided.

Note: this methodological approach is applied to 4 countries that the Centre for Development Innovation, Wageningen University and Research centre is involved in in terms of the 5C study (Ethiopia, India, Indonesia, Liberia). The overall approach has been agreed with all the 8 countries selected for this MFS II evaluation. The 5C country teams have been trained and coached on this methodological approach during the evaluation process. Details specific to the SPO are described in chapter 5.1 of the SPO report A detailed overview of the approach is described in appendix 1.

The first (changes in organisational capacity) and the fourth evaluation question are addressed together through:

- **Changes in the 5C indicators since the baseline:** standard indicators have been agreed upon for each of the five capabilities of the five capabilities framework (see appendix 2) and changes between the baseline, and the endline situation have been described. For data collection a mix of data collection methods has been used, including self-assessments by SPO staff; interviews with SPO staff and externals; document review; observation. For data analysis, the Nvivo software program for qualitative data analysis has been used. Final descriptions per indicator and per capability with corresponding scores have been provided.
- **Key organisational capacity changes – 'general causal map':** during the endline workshop a brainstorm has been facilitated to generate the key organisational capacity changes as perceived by the SPO since the baseline, with related underlying causes. For this purpose, a visual as well as a narrative causal map have been described.

In terms of the attribution question (2 and 4), '**process tracing**' is used. This is a theory-based approach that has been applied to a selected number of SPOs since it is a very intensive and costly methodology, although it provides rich information and can generate a lot of learning within the organisations. This approach was presented and agreed-upon during the synthesis workshop on 17-18 June 2013 by the 5C teams for the eight countries of the MFS II evaluation. A more detailed description of the approach was presented during the synthesis workshop in February 2014. The synthesis team, NWO-WOTRO, the country project leaders and the MFS II organisations present at the workshop have accepted this approach. It was agreed that this approach can only be used for a selected number of SPOs since it is a very intensive and costly methodology. Key organisational capacity changes/ outcomes of the SPO were identified, based on their relationship to the two selected capabilities, the capability to act and commit the capability to adapt and self-renew, and an expected relationship with CFA supported capacity development interventions (MFS II funding). It was agreed to

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focus on these two capabilities, since these are the most targeted capabilities by the CFAs, as established during the baseline process.

Please find below an explanation of how the above-mentioned evaluation questions have been addressed in the 5C evaluation.

At the end of this appendix a brief methodological reflection is provided.

## 3.2 Assessing changes in organisational capacity and reasons for change - evaluation question 1 and 4

This section describes the data collection and analysis methodology for answering the first evaluation question: **What are the changes in partner organisations' capacity during the 2012-2014 period?** And the fourth evaluation question: **"What factors explain the findings drawn from the questions above?"**

In order to explain the changes in organisational capacity development between baseline and endline (evaluation question 1) the CDI and in-country evaluation teams needed to review the indicators and how they have changed between baseline and endline and what reasons have been provided for this. This is explained below. It has been difficult to find detailed explanations for changes in each of the separate 5c indicators, but the 'general causal map' has provided some ideas about some of the key underlying factors actors and interventions that influence the key organisational capacity changes, as perceived by the SPO staff.

The evaluators considered it important to also note down a consolidated SPO story and this would also provide more information about what the SPO considered to be important in terms of organisational capacity changes since the baseline and how they perceived these key changes to have come about. Whilst this information has not been validated with sources other than SPO staff, it was considered important to understand how the SPOs has perceived changes in the organisation since the baseline.

For those SPOs that are selected for process tracing (evaluation question 2), more in-depth information is provided for the identified key organisational capacity changes and how MFS II supported capacity development interventions as well as other actors, factors and interventions have influenced these changes. This is integrated in the next session on the evaluation question on attribution, as described below and in the appendix 1.

How information was collected and analysed for addressing evaluation question 1 and 4, in terms of description of changes in indicators per capability as well as in terms of the general causal map, based on key organisational capacity changes as perceived by the SPO staff, is further described below.

During the baseline in 2012 information has been collected on each of the 33 agreed upon indicators for organisational capacity. For each of the five capabilities of the 5C framework indicators have been developed as can be seen in Appendix 2. During this 5C baseline, a summary description has been provided for each of these indicators, based on document review and the information provided by staff, the Co-financing Agency (CFA) and other external stakeholders. Also a summary description has been provided for each capability. The results of these can be read in the baseline reports.

The description of indicators for the baseline in 2012 served as the basis for comparison during the endline in 2014. In practice this meant that largely the same categories of respondents (preferably the same respondents as during the baseline) were requested to review the descriptions per indicator and indicate whether and how the endline situation (2014) is different from the described situation in 2012<sup>4</sup>.

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<sup>4</sup> The same categories were used as during the baseline (except beneficiaries, other funders): staff categories including management, programme staff, project staff, monitoring and evaluation staff, field staff, administration staff; stakeholder categories including co-financing agency (CFA), consultants, partners.



Per indicator they could indicate whether there was an improvement or deterioration or no change and also describe these changes. Furthermore, per indicator the interviewee could indicate what interventions, actors and other factors explain this change compared to the baseline situation. See below the specific questions that are asked for each of the indicators. Per category of interviewees there is a different list of indicators to be looked at. For example, staff members were presented with a list of all the indicators, whilst external people, for example partners, are presented with a select number of indicators, relevant to the stakeholder.

The information on the indicators was collected in different ways:

- 1) **Endline workshop at the SPO - self-assessment and 'general causal map'**: similar to data collection during the baseline, different categories of staff (as much as possible the same people as during the baseline) were brought together in a workshop and requested to respond, in their staff category, to the list of questions for each of the indicators (self-assessment sheet). Prior to carrying out the self-assessments, a brainstorming sessions was facilitated to develop a 'general causal map', based on the key organisational capacity changes since the baseline as perceived by SPO staff. Whilst this general causal map is not validated with additional information, it provides a sequential narrative, based on organisational capacity changes as perceived by SPO staff;
- 2) **Interviews with staff members**: additional to the endline workshop, interviews were held with SPO staff, either to provide more in-depth information on the information provided on the self-assessment formats during the workshop, or as a separate interview for staff members that were not present during the endline workshop;
- 3) **Interviews with externals**: different formats were developed for different types of external respondents, especially the co-financing agency (CFA), but also partner agencies, and organisational development consultants where possible. These externals were interviewed, either face-to-face or by phone/Skype. The interview sheets were sent to the respondents and if they wanted, these could be filled in digitally and followed up on during the interview;
- 4) **Document review**: similar to the baseline in 2012, relevant documents were reviewed so as to get information on each indicator. Documents to be reviewed included progress reports, evaluation reports, training reports, etc. (see below) since the baseline in 2012, so as to identify changes in each of the indicators;
- 5) **Observation**: similar to what was done in 2012, also in 2014 the evaluation team had a list with observable indicators which were to be used for observation during the visit to the SPO.

Below the key steps to assess changes in indicators are described.

#### Key steps to assess changes in indicators are described

1. Provide the description of indicators in the relevant formats – CDI team
2. Review the descriptions per indicator – in-country team & CDI team
3. Send the formats adapted to the SPO to CFA and SPO – in-country team (formats for SPO) and CDI team (formats for CFA)
4. Collect, upload & code the documents from CFA and SPO in NVivo – CDI team
5. Organise the field visit to the SPO – in-country team
6. Interview the CFA – CDI team
7. Run the endline workshop with the SPO – in-country team
8. Interview SPO staff – in-country team
9. Fill-in observation sheets – in-country team
10. Interview externals – in-country team
11. Upload and auto-code all the formats collected by in-country team and CDI team in NVivo – CDI team
12. Provide to the overview of information per 5c indicator to in-country team – CDI team
13. Analyse data and develop a draft description of the findings per indicator and for the general questions – in-country team
14. Analyse data and develop a final description of the findings per indicator and per capability and for the general questions – CDI team
15. Analyse the information in the general causal map –in-country team and CDI-team

Note: the CDI team include the Dutch 5c country coordinator as well as the overall 5c coordinator for the four countries (Ethiopia, India, Indonesia, Liberia). The 5c country report is based on the separate SPO reports.

Please see appendix 1 for a description of the detailed process and steps.

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### 3.3 Attributing changes in organisational capacity - evaluation question 2 and 4

This section describes the data collection and analysis methodology for answering the second evaluation question: ***To what degree are the changes identified in partner capacity attributable to (capacity) development interventions undertaken by the MFS II consortia (i.e. measuring effectiveness)?*** and the fourth evaluation question: ***“What factors explain the findings drawn from the questions above?”***

In terms of the attribution question (2), ‘process tracing’ is used. This is a theory-based approach that has been applied to a selected number of SPOs since it is a very intensive and costly methodology, although it provides rich information and can generate a lot of learning within the organisations. Key organisational capacity changes/ outcomes of the SPO were identified, based on their relationship to the two selected capabilities, the capability to act and commit the capability to adapt and self-renew, and an expected relationship with CFA supported capacity development interventions (MFS II funding). It was agreed to focus on these two capabilities, since these are the most targeted capabilities by the CFAs, as established during the baseline process.

Below, the selection of SPOs for process tracing as well as the different steps involved for process tracing in the selected SPOs, are further explained.

#### 3.3.1 Selection of SPOs for 5C process tracing

Process tracing is a very intensive methodology that is very time and resource consuming (for development and analysis of one final detailed causal map, it takes about 1-2 weeks in total, for different members of the evaluation team). It has been agreed upon during the synthesis workshop on 17-18 June 2013 that only a selected number of SPOs will take part in this process tracing for the purpose of understanding the attribution question. The selection of SPOs is based on the following criteria:

- MFS II support to the SPO has not ended before 2014 (since this would leave us with too small a time difference between intervention and outcome);
- Focus is on the 1-2 capabilities that are targeted most by CFAs in a particular country;
- Both the SPO and the CFA are targeting the same capability, and preferably aim for similar outcomes;
- Maximum one SPO per CFA per country will be included in the process tracing.

The intention was to focus on about 30-50% of the SPOs involved. Please see the tables below for a selection of SPOs per country. Per country, a first table shows the extent to which a CFA targets the five capabilities, which is used to select the capabilities to focus on. A second table presents which SPO is selected, and takes into consideration the selection criteria as mentioned above.

For the detailed results of this selection, in the four countries that CDI is involved in, please see appendix 1. The following SPOs were selected for process tracing:

Ethiopia: AMREF, ECFA, FSCE, HUNDEE (4/9)

India: BVHA, COUNT, FFID, SMILE, VTRC (5/10)

Indonesia: ASB, ECPAT, PtPPMA, YPI, YRBI (5/12)

Liberia: BSC, RHRAP (2/5).

#### 3.3.2 Key steps in process tracing for the 5C study

In the box below you will find the key steps developed for the 5C process tracing methodology. These steps will be further explained here. Only key staff of the SPO is involved in this process: management; programme/ project staff; and monitoring and evaluation staff, and other staff that could provide information relevant to the identified outcome area/key organisational capacity change. Those SPOs selected for process tracing had a separate endline workshop, in addition to the ‘ general endline workshop. This workshop was carried out after the initial endline workshop and the interviews

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during the field visit to the SPO. Where possible, the general and process tracing endline workshop have been held consecutively, but where possible these workshops were held at different points in time, due to the complex design of the process. Below the detailed steps for the purpose of process tracing are further explained. More information can be found in Appendix 1.

#### Key steps in process tracing for the 5C study

1. Identify the planned MFS II supported capacity development interventions within the selected capabilities (capability to act and commit and capability to adapt and self-renew) – CDI team
2. Identify the implemented MFS II supported capacity development interventions within the selected capabilities (capability to act and commit and capability to adapt and self-renew) – CDI team
3. Identify initial changes/ outcome areas in these two capabilities – CDI team & in-country team
4. Construct the detailed, initial causal map (theoretical model of change) – CDI team & in-country team
5. Identify types of evidence needed to verify or discard different causal relationships in the model of change – in-country teams, with support from CDI team
6. Collect data to verify or discard causal mechanisms and construct workshop based, detailed causal map (model of change) – in-country team
7. Assess the quality of data and analyse data and develop final detailed causal map (model of change) – in-country team with CDI team
8. Analyse and conclude on findings– CDI team, in collaboration with in-country team

### 3.3.3 Methodological reflection

Below a few methodological reflections are made by the 5C evaluation team. These can also be found in appendix 1.

**Use of the 5 core capabilities framework and qualitative approach:** this has proven to be a very useful framework to assess organisational capacity. The five core capabilities provide a comprehensive picture of the capacity of an organisation. The capabilities are interlinked, which was also reflected in the description of standard indicators, that have been developed for the purpose of this 5C evaluation and agreed upon for the eight countries. Using this framework with a mainly qualitative approach has provided rich information for the SPOs and CFAs, and many have indicated this was a useful learning exercise.

**Using standard indicators and scores:** using standard indicators is useful for comparison purposes. However, the information provided per indicator is very specific to the SPO and therefore makes comparison difficult. Whilst the description of indicators has been useful for the SPO and CFA, it is questionable to what extent indicators can be compared across SPOs since they need to be seen in context, for them to make meaning. In relation to this, one can say that scores that are provided for the indicators, are only relative and cannot show the richness of information as provided in the indicator description. Furthermore, it must be noted that organisations are continuously changing and scores are just a snapshot in time. There cannot be a perfect score for this. In hindsight, having rubrics would have been more useful than scores.

**General causal map:** whilst this general causal map, which is based on key organisational capacity changes and related causes, as perceived by the SPO staff present at the endline workshop, has not been validated with other sources of information except SPO feedback, the 5C evaluation team considers this information important, since it provides the SPO story about how and which changes in

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the organisation since the baseline, are perceived as being important, and how these changes have come about. This will provide information additional to the information that has been validated when analysing and describing the indicators as well as the information provided through process tracing (selected SPOs). This has proven to be a learning experience for many SPOs.

**Using process tracing for dealing with the attribution question:** this theory-based and mainly qualitative approach has been chosen to deal with the attribution question, on how the organisational capacity changes in the organisations have come about and what the relationship is with MFS II supported capacity development interventions and other factors. This has proven to be a very useful process, that provided a lot of very rich information. Many SPOs and CFAs have already indicated that they appreciated the richness of information which provided a story about how identified organisational capacity changes have come about. Whilst this process was intensive for SPOs during the process tracing workshops, many appreciated this to be a learning process that provided useful information on how the organisation can further develop itself. For the evaluation team, this has also been an intensive and time-consuming process, but since it provided rich information in a learning process, the effort was worth it, if SPOs and CFAs find this process and findings useful.

A few remarks need to be made:

- Outcome explaining process tracing is used for this purpose, but has been adapted to the situation since the issues being looked at were very complex in nature.
- Difficulty of verifying each and every single change and causal relationship:
  - Intensity of the process and problems with recall: often the process tracing workshop was done straight after the general endline workshop that has been done for all the SPOs. In some cases, the process tracing endline workshop has been done at a different point in time, which was better for staff involved in this process, since process tracing asks people to think back about changes and how these changes have come about. The word difficulties with recalling some of these changes and how they have come about. See also the next paragraph.
  - Difficulty of assessing changes in knowledge and behaviour: training questionnaire has been developed, based on Kirkpatrick's model and were specifically tailored to identify not only the interest but also the change in knowledge and skills, behaviour as well as organisational changes as a result of a particular training. The retention ability of individuals, irrespective of their position in the organisation, is often unstable. The 5C evaluation team experienced that it was difficult for people to recall specific trainings, and what they learned from those trainings. Often a change in knowledge, skills and behaviour is a result brought about by a combination of different factors, rather than being traceable to one particular event. The detailed causal maps that have been established, also clearly pointed this. There are many factors at play that make people change their behaviour, and this is not just dependent on training but also internal/personal (motivational) factors as well as factors within the organisation, that stimulate or hinder a person to change behaviour. Understanding how behaviour change works is important when trying to really understand the extent to which behaviour has changed as a result of different factors, actors and interventions. Organisations change because people change and therefore understanding when and how these individuals change behaviour is crucial. Also attrition and change in key organisational positions can contribute considerably to the outcome.

### **Utilisation of the evaluation**

The 5C evaluation team considers it important to also discuss issues around utility of this evaluation. We want to mention just a few.

**Design** – mainly externally driven and with a focus on accountability and standard indicators and approaches within a limited time frame, and limited budget: this MFS II evaluation is originally based on a design that has been decided by IOB (the independent evaluation office of the Dutch Ministry of Foreign Affairs) and to some extent MFS II organisations. The evaluators have had no influence on the overall design and sampling for the 5C study. In terms of learning, one may question whether the most useful cases have been selected in this sampling process. The focus was very much on a rigorous evaluation carried out by an independent evaluation team. Indicators had to be streamlined across countries. The 5C team was requested to collaborate with the other 5C country teams (Bangladesh,

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Congo, Pakistan, Uganda) to streamline the methodological approach across the eight sampled countries. Whilst this may have its purpose in terms of synthesising results, the 5C evaluation team has also experienced the difficulty of tailoring the approach to the specific SPOs. The overall evaluation has been mainly accountability driven and was less focused on enhancing learning for improvement. Furthermore, the timeframe has been very small to compare baseline information (2012) with endline information (2014). Changes in organisational capacity may take a long, particularly if they are related to behaviour change. Furthermore, there has been limited budget to carry out the 5C evaluation. For all the four countries (Ethiopia, India, Indonesia, Liberia) that the Centre for Development Innovation, Wageningen University and Research centre has been involved in, the budget has been overspent.

However, the 5C evaluation team has designed an endline process whereby engagement of staff, e.g. in a workshop process was considered important, not only due to the need to collect data, but also to generate learning in the organisation. Furthermore, having general causal maps and detailed causal maps generated by process tracing have provided rich information that many SPOs and CFAs have already appreciated as useful in terms of the findings as well as a learning process.

Another issue that must be mentioned is that additional requests have been added to the country teams during the process of implementation: developing a country based synthesis; questions on design, implementation, and reaching objectives of MFS II funded capacity development interventions, whilst these questions were not in line with the core evaluation questions for the 5C evaluation.

**Complexity and inadequate coordination and communication:** many actors, both in the Netherlands, as well as in the eight selected countries, have been involved in this evaluation and their roles and responsibilities, were often unclear. For example, 19 MFS II consortia, the internal reference group, the Ministry of Foreign Affairs, Partos, the Joint Evaluation Trust, NWO-Wotro, the evaluators (Netherlands and in-country), 2 external advisory committees, and the steering committee. Not to mention the SPO's and their related partners and consultants. CDI was involved in 4 countries with a total number of 38 SPOs and related CFAs. This complexity influenced communication and coordination, as well as the extent to which learning could take place. Furthermore, there was a distance between the evaluators and the CFAs, since the approach had to be synchronised across countries, and had to adhere to strict guidelines, which were mainly externally formulated and could not be negotiated or discussed for the purpose of tailoring and learning. Feedback on the final results and report had to be provided mainly in written form. In order to enhance utilisation, a final workshop at the SPO to discuss the findings and think through the use with more people than probably the one who reads the report, would have more impact on organisational learning and development. Furthermore, feedback with the CFAs has also not been institutionalised in the evaluation process in the form of learning events. And as mentioned above, the complexity of the evaluation with many actors involved did not enhance learning and thus utilization.

**5C Endline process, and in particular thoroughness of process tracing often appreciated as learning process:** The SPO perspective has also brought to light a new experience and technique of self-assessment and self-corrective measures for managers. Most SPOs whether part of process tracing or not, deeply appreciated the thoroughness of the methodology and its ability to capture details with robust connectivity. This is a matter of satisfaction and learning for both evaluators and SPOs. Having a process whereby SPO staff were very much engaged in the process of self-assessment and reflection has proven for many to be a learning experience for many, and therefore have enhanced utility of the 5C evaluation.



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## 4 Results

### 4.1 MFS II supported capacity development interventions

The information available about the MFS II supported capacity development interventions comes partly from the support to capacity development sheet filled in by Hivos in September 2012 and other progress reports received. Unfortunately the person within Hivos who was well familiar with RGVN no longer works for Hivos India and therefore could not provide additional inside information on the capacity development of RGVN. Tasks and responsibilities were transferred to the Hivos head office in the Netherlands upon closure of the Bangalore office in December 2013 and in anticipation of the establishment of a new office in Mumbai in August 2014.

Under the project "Graduating NGOs in MF Institutions in the state of Odisha", that was supported by Hivos until 2012, several capacity development interventions took place in which also RGVN executives participated. These are: training of trainers (TOT) on strategic business plans; workshop on development of result oriented framework and monitoring indicators; follow-up workshop on result orientation and monitoring indicators and a loan portfolio audit. However, these interventions are not mentioned by Hivos as capacity strengthening interventions for RGVN and no budget is known.

During the endline evaluation HRM/Admin staff, programme staff and management of RGVN indicated in their self-assessment sheets that the following trainings were supported by Hivos:

- Training on Leadership, financial management and group dynamics in Jamunali supported by Hivos in July 2013
- Exposure visit to Badamba, Raipur, Parbatipuram and Agriculture university farm, Hyderabad
- Training on Organic farming process at Rambhadrapuram in October 2013
- Training on enterprise promotion and business development in 2013 and August 2014 in Bhubaneswar
- Workshop on Producer Entrepreneurship Catalyst and Incubation Facility (ProCIF) organised by Vrutti Livelihoods sponsored by Hivos 22-23 May 2014 at Bangalore to help the staff graduate poor producer organisations into self-reliant enterprises. This resulted in the staff to improve capacity in training the partners on enterprise management skill and techniques of enterprise promotion activity to supplement the objective of scale up, profitability and market linkages. They could better plan for community level enterprise promotion and prepared a road map for the registration of the cluster with suitable legal identity

The Financial Audited Statement for the financial year April 2013 to March 2014 shows that the following expenditures were made under the category Capacity Building.

#### By Capacity Building

a) Training. on Vegetable Farming	INR 670.000,-
b) Training. on NTFP	INR 140.000,-
c) Training. on Bell Metal	INR 102.500,-
d) Training & Workshop (Central)	INR 106.100,-
e) Exposure Visit Expenses	INR 60.000,-

These interventions were carried out to strengthen the internal capacity of the community based organizations like Self Help Groups, partners NGOs as well as RGVN itself.

In addition, the 2014 Annual Review Report indicates that the following capacity building activities have been planned for RGVN staff between April 2014 and March 2015.

(D) Central Budget

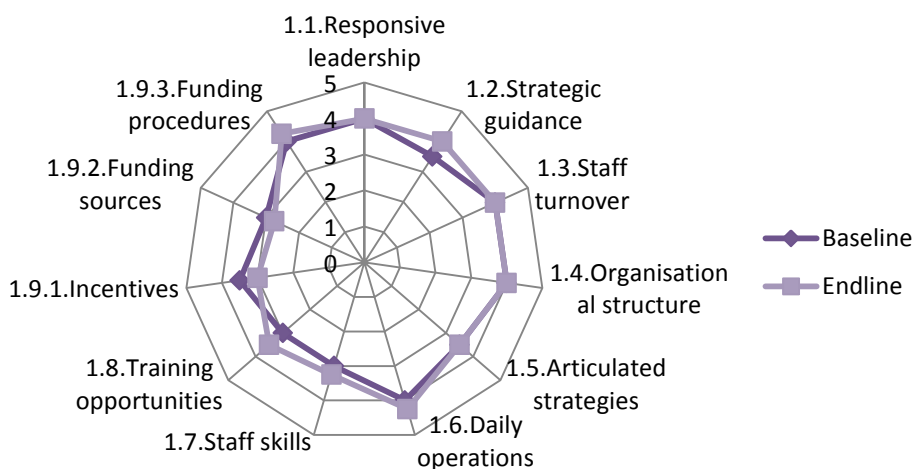
(1) Capacity Building	Nos	April'14-March'15	Total
TOT on Value chain Analysis	1	40,000.00	40,000.00
Training on Enterprise Promotion	1	20,000.00	20,000.00
Development of Posters, Banners and Booklets on the and study materials on Products		30,000.00	30,000.00
Training on Business Development	3	75,000.00	75,000.00
Training on Governance	2	40,000.00	40,000.00
Training On Financial Management	2	40,000.00	40,000.00
Training on Branding and marketing	2	60,000.00	60,000.00
Bye Law Preparation (Activity Specific)	8	80,000.00	80,000.00

## 4.2 Changes in capacity and reasons for change - evaluation question 1 and 4

Below you can find a description of the changes in each of the five core capabilities. This information is based on the analysis of the information per each of the indicators. This detailed information for each of the indicators describes the current situation, and how and why it has changed since the baseline workshop in August 2012 and the interview with the Director at the head office in Guwahati in June 2013 and what are the reasons for change. Unless explicitly stated that a change happened since the interview with the director in June 2013, the changes took place since the baseline workshop in August 2012. See also annex 3.

### 4.2.1 Changes in the five core capabilities

#### Capability to act and commit



The leadership at the head office continues to be open to ideas and suggestions and has a decentralised approach with each implementing regional unit. The Regional unit in Bhubaneswar is



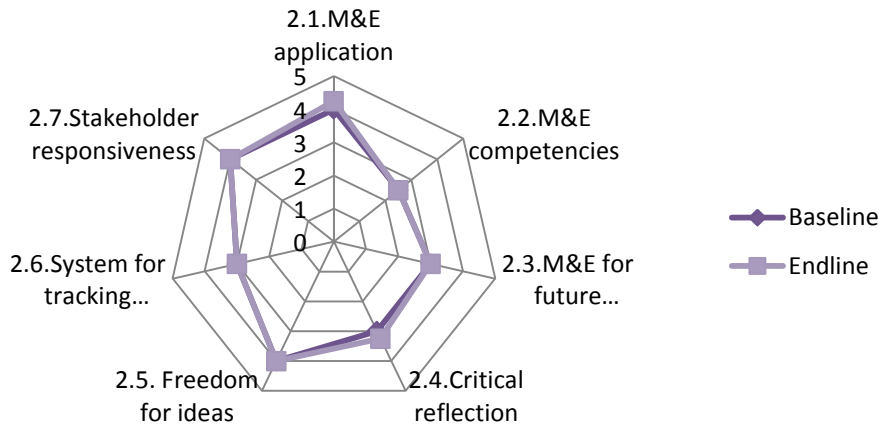
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autonomous and responsible for its fundraising, but contracts have to be approved and signed by the RGVN executive director. The executive director feels that despite repeated suggestions the leader at the Bhubaneswar office has not submitted any funding proposals to the head office. The leadership at RGVN Bhubaneswar is however, very committed, competent, experienced, responsive and proactive in taking decisions. The leadership in Bhubaneswar continues to give strategic guidance. While the 2011-2012 strategic plans could not be implemented mainly due to the micro-finance crisis, and a flood and cyclone followed, the management made the strategic decision to shift from micro-finance to sustainable livelihood enhancement. Also external resource mobilisation began to play an important role as the head office decided to no longer allow external borrowings from banks. RGVN's new Project Finance Committee plays an important role in monitoring progress and responding to proposals for funding. Leadership is now staying more abreast with the latest developments and encourages innovative ideas in strategy making. Staff turnover continues to be low at the regional unit Bhubaneswar and staff has become experienced in their work. There has been no new recruitment at the Bhubaneswar office during the last two years, as the organisation has not been able to procure any new projects. The Sustainable Livelihood Enhancement and Enterprise Promotion (SLEEP) project till 2015, funded by Hivos does not have enough funds to attract extra manpower. The organisational structure at the headquarters in Guwahati and the regional office in Bhubaneswar continued to be the same, but new board members have replaced the earlier ones. RGVN continues to work in 14 states of India. The executive director heads the organisation and is based in Guwahati while the four regional offices at Guwahati, Patna, Bhubaneswar and Raipur are headed by Regional Coordinators. Hivos continues to support RGVN for its work in Odisha, for which the team works from Bhubaneswar. RGVN's strategies continue to be well defined and based on good situation analysis and its experience in working in its operational areas. The overall strategy from RGVN has moved from microfinance to sustainable livelihood enhancement. In the related project SLEEP, RGVN articulates its strategies based on their longstanding experience of mobilising and strengthening women producers, artisans, and forest dwellers. With the change in the strategic plan and changing environment the day-to-day operational plans have been revised. Fortnightly review meetings are now conducted to monitor day-to-day operation; this has streamlined the operationalization of the strategic plan of the organization. Over the period RGVN staff has gained skills and knowledge on certain areas that were recommended during the baseline and more due to trainings supported by Hivos and other donors like the Small Industrial Development Bank of India and through staff's considerable field experience. However, due to limited staff strength in the regional office of Bhubaneswar the staff has to multi-task and takes up additional responsibilities. Over the MFS II period the staff participated in ample training programmes and exposure visits supported both by Hivos (MFS II) and others. Staff now seems to have more access to trainings on new trends and strategies as the above trainings fit well with RGVN's new strategy to focus on sustainable livelihood enhancement. Freedom at work, freedom of experimentation with ideas and skill building through various trainings and exposure visits continue to motivate staff at work. However, performance linked incentives have stopped after the baseline in August 2012 because of the executive board's decision to no longer borrow commercial funds and the end of MFS II funding. During the baseline, RGVN had 11 different funders and was receiving funding in the form of grants and loans, while RGVN is approaching new donors related to livelihoods and with its CSR eligibility certificate, currently they are receiving funding from a smaller set of funders than during the baseline. RGVN continues to have clear cut funding procedures RGVN has a national level copy of procedures for exploring new funding opportunities which includes a separate section applicable to RGVN Bhubaneswar. RGVN head office Guwahati has given autonomy to the regional branches to mobilise funds at its own and to choose the projects they work on.

Score baseline: 3.6

Score endline: 3.7 (no change)

## Capability to adapt and self-renew

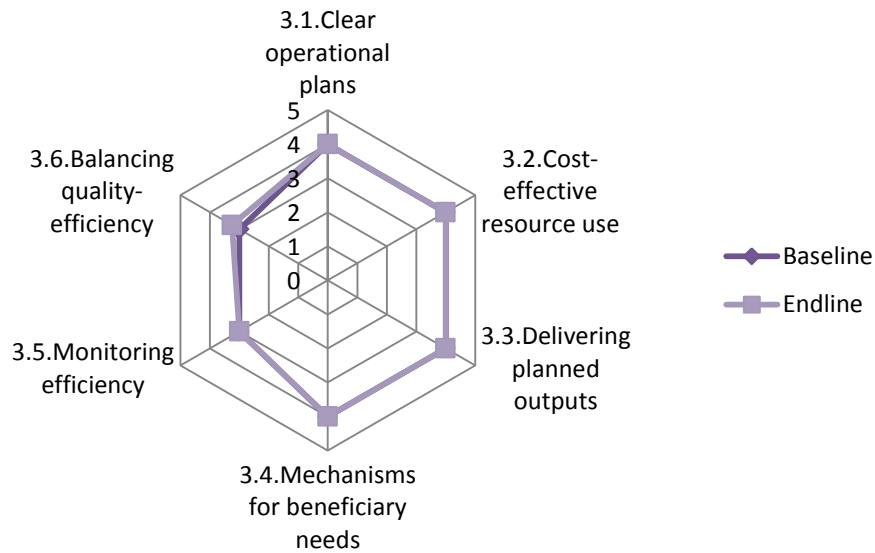


The shift in the focus from microfinance to sustainable livelihood and demand from the donor for focused and structured reporting led the organisation to fine-tune and modify monitoring formats and indicators to collect focussed data from the field. Computerized accounting by using the latest technology was initiated, which further strengthened the M&E system. However, there continues to be a need for RGVN to link outputs to higher level outcomes. RGVN still does not have a dedicated person that works on M&E. At the Bhubaneswar office, most staff has worked there for a long time and has over the years been trained in using log frames and results based analysis. RGVN has indicated that they will hire an M&E expert as soon as they have the funds available for this. RGVN continues to get both qualitative and quantitative information from its M&E system; staff still shares their field visit experience in monthly and half yearly meetings and now also during fortnightly meetings. It is evident from the annual plan 2014-15 that after proper monitoring and review the organisation has proposed some changes in strategy for programme management, financial management and decision making process. Management has also become more responsive and the fortnightly review meetings have streamlined the critical reflection process and resulted in better identification of gaps and appropriate actions taken to address it. The assistant director gives considerable autonomy to the staff to come up with ideas. Though there is hierarchy in the organisation the staff is allowed to take their own decisions and contribute in the strategy in coherence with the overall mandate of the organisation. RGVN continues to work with its implementing NGO partners which helps to have a better understanding of the contextual issues at the field level. RGVN is still part of a large network. As RGVN has shifted its focus from microfinance to sustainable livelihoods, they now also track developments in agriculture. While, staff RGVN stays informed about their operating environment, there still seems to be no formal mechanism to track the environment. The organisation continues to be open to take inputs from different stakeholders, especially their partner organisations, and uses their inputs in developing its M&E indicators and formats in the SLEEP project. Periodic review of financial and operational system is done and shared with all stakeholders.

Score baseline: 3.4

Score endline: 3.4 (no change)

## Capability to deliver on development objectives

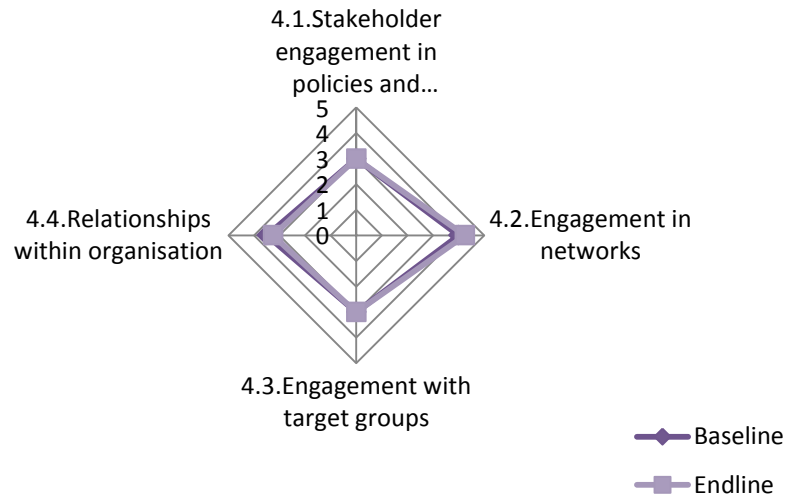


RGVN continues to have day-to-day operational plans and budget for each projects which the staff fully understands and which are in line with the new strategic plan on sustainable livelihood enhancement programme. The restriction of the executive board in borrowing external funds, the ending of the microfinance project and the phasing out of MFS II funding, further made RGVN cost conscious in its resource use. Geographical overlap in RGVN's two main projects saves costs when visiting the target groups. With the microfinance crisis and RGVN board's decision to stop taking loans from the bank, the project of 2011-12 'Graduating NGOs in to MF Institutions in the state of Odisha' could not be delivered as planned. However, the operational plan of the new Hivos funded program 'SLEEP' has been carried out successfully so far. The new initiative of fortnightly review further contributed in effective delivery of the planned outputs. RGVN continues to verify whether services meet beneficiary needs through its monitoring system There is still no formal mechanism to calculate input and output ratio. More detailed report writing, fortnightly meetings, and more interaction at field during training programs and frequent feedback from partners streamlined the monitoring efficiency system. The small team of experienced staff at the Bhubaneswar office continues to ensure team work and good results. Better planning, use of technology in the accounting system, fortnightly review meetings, and the formation of the Project Finance Committee improved the quality and efficiency of work.

Score baseline: 3.7

Score endline: 3.7 (no change)

## Capability to relate



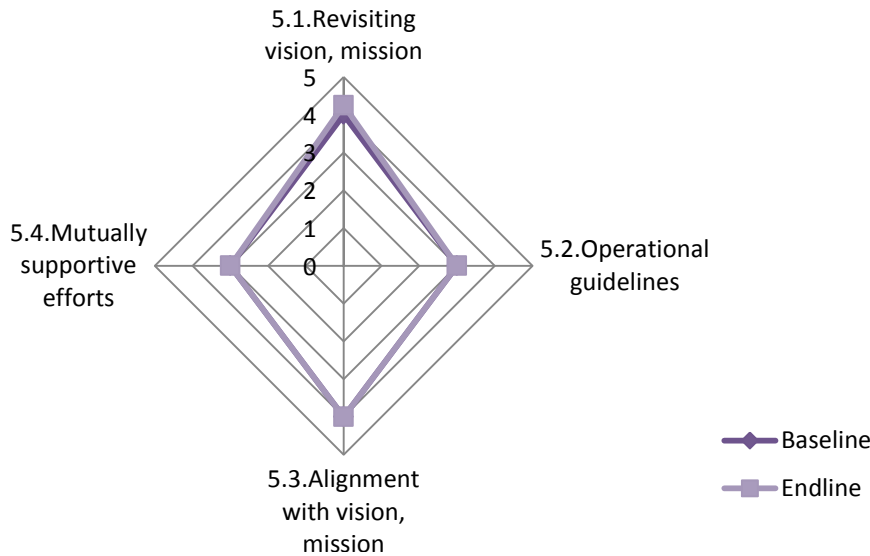
RGVN continues to engage its stakeholders for the benefit of its operations, plans and outcomes. The organization has strengthened its relationship with the government; however, the relationship is only to link up government schemes to the target groups and not at the level of involving them in policy or strategy making. RGVN continues to work with NGO partners to implement its programmes. The new Company Social Responsibility (CSR) Act facilitated the organisation to establish corporate partnerships. A few other new networks have been established since the baseline workshop in August 2012. And RGVN established better linkages with government departments through linking their target group to government schemes and because of built up trust by implementing the rehabilitation program for the Phailin and flood victims. The organisation continues to engage actively with the target groups.

RGVN organizes various periodic workshops, exposure visits, krusak melas (farmer festivals) which facilitates engagement with the target groups. The assistant director at the Bhubaneswar office being democratic in her approach gives considerable autonomy to her staff in terms taking decisions for their respective projects. The evaluation team observed that the relationship between RGVN Bhubaneswar and RGVN head office Guwahati is getting unpleasant as they compete with each other for the same projects.

Score baseline: 3.4

Score endline: 3.4 (no change)

## Capability to achieve coherence



The organisation continues to revisit vision and mission of the organisation every 5 years. Due to the microfinance crisis, a change in the donor's priority, the floods and Phailin cyclone, the organisation has made a strategic shift from microfinance to community based micro-enterprise development leading to sustainable livelihood enhancement. The strategic shift is still in alignment with the unchanged vision and mission of the organization. The organisation continues to have operational guidelines like a HR policy which is part of the Administrative Manual of which a hard copy exists. RGVN's projects, strategies and operations continue to be in line with their vision and mission. The new SLEEP project's strategies are very much in line with RGVN's vision to improve the quality of life of the rural and urban underprivileged poor through social action. RGVN's projects continue to be mutually supportive. The SLEEP project and Jivika project both aim at promoting sustainable livelihood promotion among the women, work in the same geographical areas and focus on the same core livelihood sub sectors.

Score baseline: 3.5

Score endline: 3.6 (no change)

### 4.2.2 General changes in the organisational capacity of the SPO

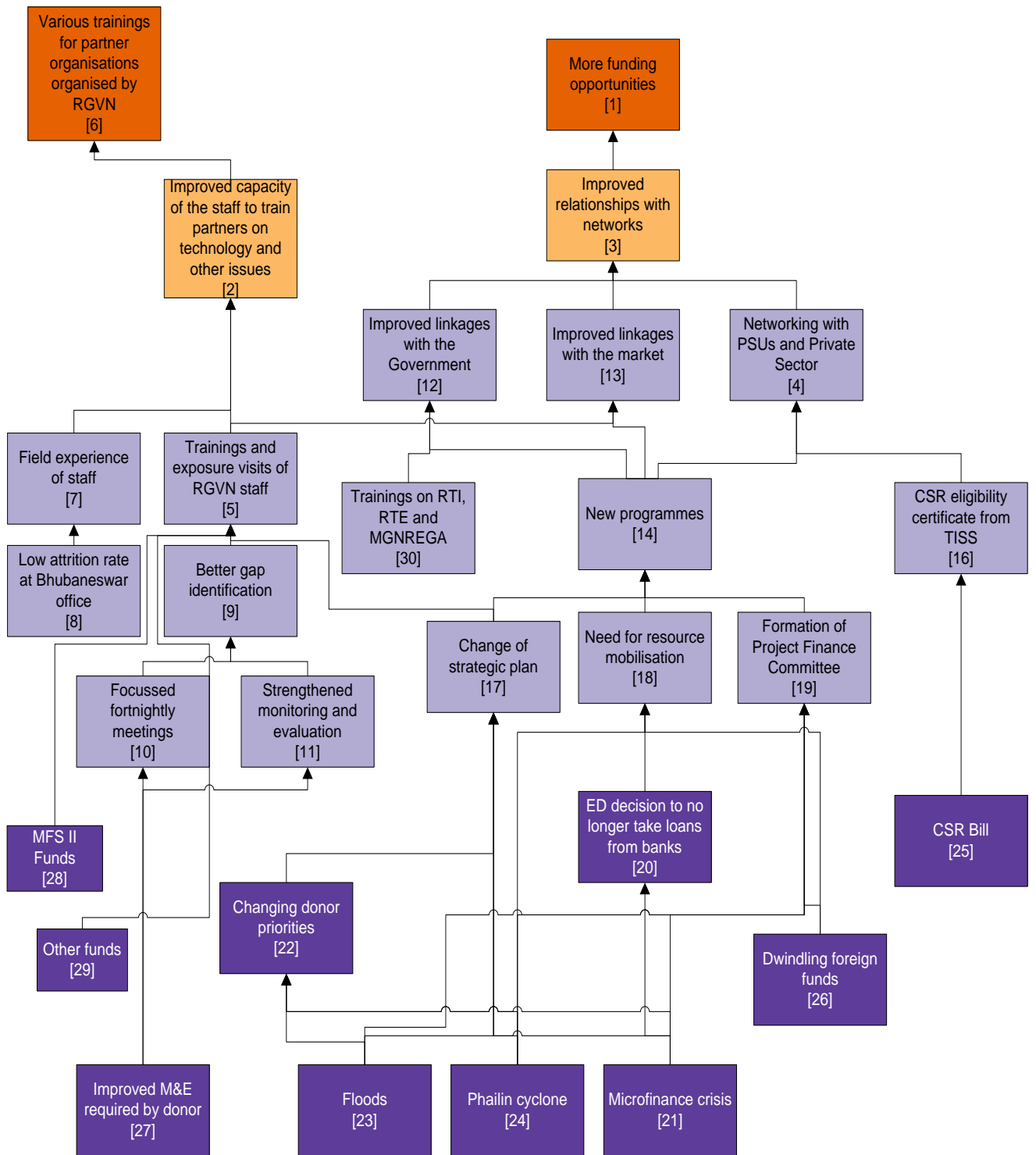
The evaluation team carried out an endline assessment at RGVN from 19 to 20 August 2014. During the endline workshop at the SPO, a discussion was held around what were the main changes in organisational capacity since the baseline and why these changes have taken place. The discussion was visualised in a general causal map as can be seen below. The narrative for the general causal map is also described below. It gives a more general picture of what was seen as important changes in the organisation since the baseline, and how these changes have come about, and that tells the more general story about the organisational changes in the SPO. The evaluators considered it important to also note down the SPO's story and this would also provide more information about reasons for change, which were difficult to get for the individual indicators. Also for some issues there may not have been relevant indicators available in the list of core indicators provide by the evaluation team. The detailed narrative can be found in Annex 4.

During this workshop, the team made a recap of key features of the organisation since the baseline workshop in August 2012 and the interview with the Director at the head office in the North-East in June 2013 (such as vision, mission, strategies, clients, partnerships). This was the basis for discussing changes that had happened to the organisation since the baseline. The two main changes that happened in the organisation since the baseline, as identified by the staff during self -assessments, interviews and during the workshop were:

- Improved capacity of the staff to train partners on technology and other issues [2]
- Improved relationships with networks [3]

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The two main organisational capacity changes are described in the light orange boxes and some of their key consequences are noted above these cards in dark orange. Unless explicitly stated that a change happened since the interview with the Director in June 2013, the changes took place since the baseline workshop in August 2012. Light purple boxes represent factors and aspects that influence the key organisational capacity changes (in light orange). Key underlying factors that have impacted the organisation are listed at the bottom in dark purple. The narrative describes per organisational capacity change, the contributing factors as described from the top down. The numbers in the visual correspond with the numbers in the narrative.



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## **Improved capacity of the staff to train partners on technology and other issues [2]**

RGVN is committed to the sustainable livelihood enhancement of rural poor in accordance with its vision and mission. The main source of income of the target population is agriculture and allied activities. Lack of technical knowledge on agriculture, marketing, value addition, lack of irrigation facilities, and exploitation by middlemen, periodic natural disasters and lack of financial inclusion affected the target groups' livelihood security. Since the baseline, the organization has undertaken steps to improve the basic skill sets and marketing linkages of the target groups by improving the capacity of the RGVN staff in these directions. The improved capacity of RGVN staff to train partners on technology and other issues has had a trickledown effect on the capacity of RGVN's partners. This has consequently had enabled the target groups' ability to cope with adverse situations. As a result of RGVN's improved capacity to organize and give trainings to partners, several capacity building trainings on value addition, market linkages, organic farming, vermicomposting production were organized by RGVN staff [6] as per the contract with Hivos for the new project 'Sustainable Livelihood Enhancement and Entrepreneur Promotion' (SLEEP). This project replaced the previous one on microfinance after the microfinance crisis.

Staff's capacity to train partners [2] improved because of the field experience that staff got [7] and because of RGVN staff attending various trainings and exposure visits [5]. Both are further explained below.

### **Field experience of staff [7]**

Capacity of the staff to train partners on technology and other issues also improved because some RGVN staff has been there for a long time working in a small compact unit, doing a variety of activities they also have learnt from field experience. This was because of a low attrition rate at the Bhubaneswar office [8]. This is where the team works that is supported by Hivos to work on the SLEEP project.

### **Trainings and exposure visits of RGVN staff [5]**

Increased capacity of the RGVN staff [2] was furthermore due to various capacity building trainings and exposure visits [5] supported by Hivos and other donors. These trainings include:

- Two-day training was organized by Vrutti Livelihoods, Bangalore on 22-23 May 2014 sponsored by Hivos (MFS II) on producer entrepreneurship catalyst and incubation facility. The focus of the training was to help the staff to assist unviable producer organisations into self-reliant enterprises. Funded by MFS II [28]. The training was attended by assistant director of RGVN, Bhubaneswar Region.
- Two- day training was organised with the support of Hivos (MFS II) on 18-19 August 2014 at Bhubaneswar on enterprise promotion and business development. The programme coordinators of RGVN participated in this. Funded by MFS II [28]. The programme coordinators of RGVN participated in the training programme.
- Training programme on vermicomposting pit by Sir Dorabji Tata Trust, (SDTT) Mumbai in 2013. Funded by SDTT [29]. The training was attended by 3 project staff and programme coordinator of RGVN, Bhubaneswar.
- Leadership training was organized by Small Industrial Development Bank of India (SIDBI) in 2014. Funded by SIDBI [2]. The Programme Coordinator of RGVN, Bhubaneswar attended the training.

The organization also arranged a number of exposure visits for the staff during the last two years to help them learn about vermicomposting, bio-pesticides, governance, value chain analysis and organic farming.

Staff was sent to trainings and exposure visits [5] since they realised there is a gap in terms of knowledge and skills [9] and also because of the change in the strategic plan [17], as working topics like strengthening livelihoods in the SLEEP project required further training to gain knowledge and skills on this. The identification of gaps in knowledge and skills [9] was done during fortnightly meetings [10] where a strategy for diversification of resource mobilisation was being discussed. It was also the result of having strengthened monitoring and evaluation [11]. These are further explained below.

#### **- *Focused fortnightly meetings [10]***

The fortnightly meeting was a new initiative taken by the management in order to streamline the reporting and monitoring structure. Here day-to-day planned operations were monitored and reviewed, gaps in knowledge and skills were better identified which streamlined the strategic plan



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of the organization for smooth functioning of projects and planning of trainings and exposure visits.

- *Strengthened monitoring and evaluation [11]*

There was change in the strategic plan to shift to sustainable livelihood enhancement, demand from the donor to have detailed and focused data collection, commitment of the organization to fulfil the needs of the target group and increasing focus of donors on evidence based grant making and value for money analysis pushed the organisation to strengthen their monitoring and evaluation. As a result they refined the monitoring and evaluation formats and indicators. Now the data collection is both qualitative and quantitative, whereas during the baseline it was only quantitative.

Focused fortnightly meetings [10] were taken up by the management and monitoring and evaluation was strengthened [11] to streamline the monitoring and evaluation structures and processes because of the donors requirements [27].

### **Improved relationships with networks [3]**

There have been a couple of issues that have greatly affected RGVN and the need to look for additional funding by strengthening their networks. After the microfinance crisis in 2009 [21] the organization went through a rough patch as floods in 2011 and 2014 [23] and the cyclone Phailin in 2013 [24] in the organisation's partner areas further worsened the situation. The partners' ability to recover loans meted out and pay back to RGVN was questionable in the face of such large scale disaster. The organization was not able to recuperate fully from the Microfinance crisis in 2009 and the floods in 2011 till the baseline workshop conducted in August 2012. During this time the focus had already shifted from microfinance to sustainable livelihood enhancement of the target group. However, the strategy was still in an embryonic stage. In the post baseline period, the executive board of RGVN decided to restrict external borrowings from banks and other financial institutions anticipating the inability of the partner organisations to repay RGVN. This initiated the RGVN management to think in the direction of external resource mobilization, develop linkages with government programs and schemes, linkages with market and improve capacity of the staff to implement sustainable livelihood programmes to the target group.

The precarious funding situation, compelled the management to think of converging and linking with government programmes, the market, Public Sector Units (PSUs) and the private sector to enhance the livelihood security of the target groups [3]. Improved relationships with networks [3] is expected to lead to more funding opportunities for RGVN [1]. Improved relationships with networks with different kind of partners [3] was due to improved linkages with the government [12], improved linkages with the market [13] and networking with PSUs and the private sector [4]. Each of these linkages are further explained below.

#### Linkages with the government [12]

During the baseline workshop (August 2012) there was a need identified for RGVN to develop a relationship with government institutions and maintain a strategic relationship, so that they could better translate their commitments to the target groups. The organization's initiative to rehabilitate the Flood (August 2014) and Phailin (October 2013) affected people and the capacity to implement sustainable livelihood programs, facilitated the organization to develop a trust relationship with the government in the last one and half years (2013-14). Since 2013, RGVN staff has better linkages with government line departments at local level, state level officials and other semi-governmental organisations and corporations which run delivery programmes for the poor. This is evident from the fact that the organization could linkup government schemes and programs to the target groups (farmers in Odisha). With the support of RGVN the target groups could access the inputs provided by the government in the form of a vermicomposting pit. Nearly 25 vermicomposting pits have been constructed by the State Agriculture Department of Odisha in one of the vegetable growing clusters in the Anugul district. In another vegetable growing cluster area in Dhenkanal the farmers have been helped in getting support from the State Agriculture Department of Odisha for Shade Net Nursery. Also NTFP collectors and traders have been able to receive 5 tamarind cake making machines with support from the Tribal Development Corporation. All these have been facilitated by RGVN and its partners. Some of the plans are in the pipeline. For example, RGVN has approached the state and national horticulture board, state agricultural technology institutes, the forest department, the state handicraft development board and the state Khadi and Village Industry board to link with them through different schemes. Banks and financial institutions (FIs) have been approached for providing working capital support for product enhancement at a low interest rate. Given that some of the board members are heads of FIs, it should not be an uphill task, yet while RGVN Guwahati gets its share,

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RGVN Bhubaneswar is left out. RGVN strengthening its linkages with the government is thus; because of the new programmes [14] they have been and will be involved in with government agencies (one on new programmes later on) and trainings [30] on Right to Information (RTI), Right to Education (RTE), Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA).

#### Linkages with the market [13]

Due to lack of knowledge and skills on value addition, marketing, variable market condition, exploitative middlemen, and other factors the target groups often find it difficult to get out of the poverty trap. RGVN is committed to align its work with its vision and mission to enhance the livelihood of the target groups. In order to do so they provide them with handholding support in areas like value addition and creating direct linkages with the market. To be able to provide this support RGVN has trained itself after the baseline workshop in August 2012 on these topics [5]. For example, in terms of value addition: Value addition is a process in which the farmers are given handholding support to give due care during processing, preservation and sorting and grading in NTFP and vegetable product which have a positive impact on the pricing and marketing of the products. During last two years (August 2012-2014) RGVN staff provided trainings and handholding support to the target groups on value addition, marketing, etc. They also facilitated access to fair & remunerative markets including linking producer groups to marketing opportunities by market aggregators. An example of value addition activities was tamarind collection and marketing. With the technical support provided by RGVN now the farmers have better capacity in processing, sorting, packaging and grading for proper pricing of the product and to maintain quality aspect with the buyers [Source: ARR + Work Plan 2013-14-15, Endline Evaluation Workshop].

During the last two years (August 2012- August 2014) RGVN initiated and funded "Bazaar on Wheels", a new project to strengthen producer organizations and their access to market. The project focuses especially on access to market for the women producer groups. They are provided with capacity building trainings and provision of a van for marketing their products. This is a pilot project carried out by RGVN through Jagruti Mahila Mahasangha at Govindpur of Dhenkanal district. At present the Mahila Mahasangha (Federation) has a membership of 1200 women and diversified its production to non-farm activities. This has enabled wider markets and enhanced profits. Improved linkages with the market [13] for RGVN has thus been a result of the new programmes [14] they have been involved in and the trainings and exposure visits staff went to [5].

#### Networking with different Public Sector Units (PSUs) and private sector [4]

RGVN Bhubaneswar has started having better working relations with Public Sector Units and to some extent the private sector agencies. The microfinance crisis and the executive board's decision to restrict borrowing commercial funds created financial crunch in the organization. Also, as the implementation focus has been concentrated on production enhancement, marketing linkages, working capital linkages, value addition etc. to move the clusters into the next phase of sustainability of the activities compelled the organization to make strategic change for resource mobilization. Some of the new networked partners are ACC Limited (formerly The Associated Cement Companies Limited), Larsen & Toubro (L&T), Jamsedji Tata Trust and the 8 new partners in the SLEEP project.

Networking with PSUs and Private sectors [4] improved because of new programmes [14] and CSR eligible certificate from Tata Institute of Social Science (TISS) [16].

#### *- New programmes [4]*

The following are some of the new programmes that were undertaken by RGVN during the last two years (August 2012- August 2014):

- **Placement linked target program** is part of the Phailin rehabilitation program that started after October 2013, which was initiated by RGVN in association with ACC and L&T.
- **SLEEP** project facilitated the organization to approach new programs such as, NTFP processing, value addition & marketing, Organic vegetable farming, DWCRA<sup>5</sup> / bell metal work from production to marketing. This project runs from July 1<sup>st</sup>, 2012 till June 30<sup>th</sup> 2015.
- **The JIVIKA programme** started in June 2012 and was outlined based on the experiences gained during the survey and relief distribution program conducted by RGVN with support from Jamsedji Tata Trust, Mumbai (JTT).

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<sup>5</sup> The Development of women and children in Rural Areas or DWCRA is a government sponsored anti-poverty programme of the Ministry of Rural Development.

- **Working capital support to rickshaw pullers:** Graduating rickshaw pullers to become owner of the rickshaws they use to make a living.

RGVN initiated new programmes [14] due to a change in their strategic plan [17], a need for resource mobilization [18] and the formation of a Project Finance Committee (PFC)[19]. These are further explained below.

- Change of strategic plan [17]

There was change of strategic plan to shift from microfinance to Sustainable Livelihood Enhancement and Enterprise Promotion due to the microfinance crisis [21] and consequently the failure of the microfinance project's implementation. The Microfinance crisis, the floods and the Phailin cyclone also caused donors to focus more on sustainable livelihoods [22] and mid-course corrective actions in order to keep the target group support afloat. Apart from changing their funding priorities, donors have also been revising their grant making policies [22]. More and more donors are funding agriculture based programs with a focus on improved livelihoods for the poor. Furthermore, The RGVN board too became cautious about recovery of loans and restricted the RGVN Bhubaneswar office from commercial borrowing [20]. The floods in 2011 and 2014 [23] and the cyclone Phailin in 2013 [24] worsened the situation in the organisation's partner areas even further, which also triggered the involvement of RGVN in programmes that were more focused on sustainable livelihood enhancement. All these factors compelled the organization to change its strategy to sustainable livelihood enhancement by focusing on the core livelihood sub sectors like NTFP, agriculture and allied agriculture through the System of Rice Intensification (SRI) model, dairy, organic paddy cultivation, organic vegetable farming, handicraft, etc.

- Need for resource mobilization [18]

With the microfinance crisis the organization was already undergoing a rough patch which further worsened during 2011-12 period. The board's decision to restrict external commercial borrowing of funds [20], the effect of Phailin [24] and dwindling foreign funding [26] worsened the financial situation of RGVN. All these factors compelled the organization to think of diversifying their strategy for resource mobilization.

- Formation of Project Finance Committee (PFC) [19]

RGVN used to work with the LAC (Local Area Committee), which has now been disbanded. To recover from the rough patch it was undergoing (including the floods [23], cyclone [24], microfinance crisis [21] and dwindling foreign funds [26]), internally RGVN has set up a Project Finance Committee comprising the Executive Director, Assistant Director, and programme staff. This is a body created to expedite the decision making process, monitor progress, and respond to proposals for funding.

- *CSR<sup>6</sup> eligibility certificate from TISS [16]*

RGVN became a team member of the National CSR Hub Empanelment team of TISS. This certification made them eligible for receiving CSR funds for developmental activities. The empanelment process aims to provide CPSEs (Central Public Sector Enterprises) with a list of reliable and credible organisations as partners for CSR activities. The empanelment process is designed to serve the requirements of CPSEs. The National Corporate Social Responsibility (NCSR) Hub shall empanel those organisations that are people-centric, have experience and expertise in a specific field and have a planned approach to developmental activities with a specific focus on the welfare and rights of the vulnerable groups in society. This means all the Public Sector Companies (state/government owned companies) of India may consider RGVN for implementation of big CSR project. RGVN getting this certification [16] was triggered by the new CSR Bill [25], which got approved by the Parliament and is effective from April 2014. It has a very strong CSR Clause, which mandates companies with an average profit of INR 50 million in the last three years, to proactively design and undertake welfare and other developmental activities. This is seen as a great opportunity for RGVN as the corporate sector would be required to spend 2 % of their net profit for social development actions.

<sup>6</sup> The new Companies Act 2014, with a very strong CSR Clause, mandates companies with an average profit of INR 50 million in last three years, to proactively design and undertake welfare and other developmental activities.



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# 5 Discussion and conclusion

## 5.1 Methodological issues

In order to get detailed information on the capacity development of the staff, self-assessment forms were filled out by the management (Assistant Director), programme staff (two Programme Coordinators) and HR/Admin staff (Programme Coordinator Finance). RGVN doesn't have a separate M&E unit. The staff performs multiple tasks including M&E. Their financial condition does not allow it to have a separate team for M&E and programme coordination and therefore no M&E person was interviewed. The agreed questionnaire was aimed at teasing out information from various levels of staff without putting them in any awkward situation. The modified and nuanced repetition of questions when translated to an audience not properly exposed to the English language, created a sense of repetitiveness. Evaluators tried to resolve this, by clarifying the responses by a follow-up interview after studying the responses.

RGVN's focus is to strengthen the partners. It largely works through its partners and at times implements projects on its own. As a result field staff was not invited for the workshop. Due to shift in their programme (from microfinance to Sustainable Livelihood Enhancement and Enterprise Promotion (SLEEP)), RGVN stopped working with the partners they worked with during the baseline. RGVN started working with new partners in the post baseline period. Therefore, evaluators decided not to interview new partners as they were not part of the baseline assessment. RGVN rarely uses Organisation Development Consultants since the staff is well versed and experienced in the area of interventions. The projects under review for funding by Hivos did not have one Organisation Development Consultant. Initially Hivos handheld RGVN and helped it shape the contours of the programme.

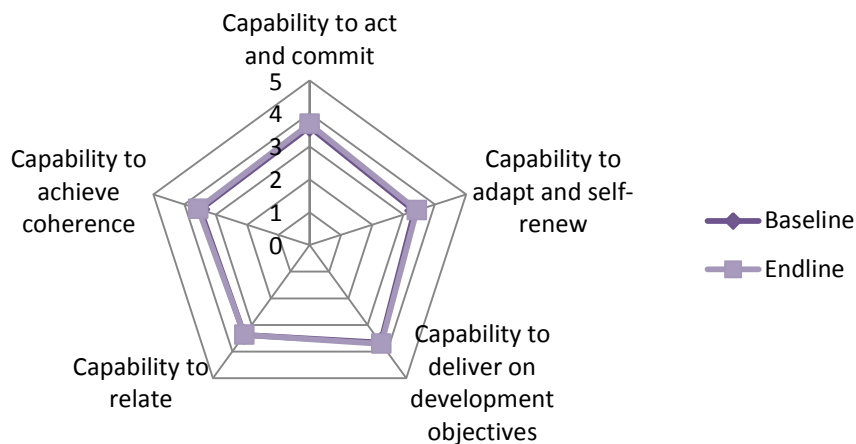
The baseline of RGVN was conducted in August 2012 at the Bhubaneswar office and the executive director was interviewed in June 2013 in Guwahati. The endline was conducted in August, 2014, followed by an interview with their Executive Director in September, 2014. Therefore, there was difficulty in observing the changes within the organisation due to different time frame. Our focus of evaluation was the RGVN Bhubaneswar office. Since RGVN has this unique division of ownership/ leadership, we also wanted to get the view of the head office regarding the performance and quality of the regional office, in this case Bhubaneswar office. RGVN Bhubaneswar is autonomous to the extent of raising resources and designing the operations of its projects, but their salary comes from RGVN head office in Guwahati. The regional office does not submit any reports to the head office. It directly submits reports annually to the board of trustees. As a result, the Executive Director did not have much information about the functioning of its Bhubaneswar office and his views contradicted the views given by the RGVN staff in Bhubaneswar.

The information on the capacity development interventions was "reconstructed" based on the baseline report, progress reports, with the help of the CFA, Netherlands (the person responsible for managing the India portfolio in the transition of offices), as the person within Hivos (the CFA) who was well familiar with RGVN no longer works for Hivos India.

## 5.2 Changes in organisational capacity

This section aims to provide an answer to the first and fourth evaluation questions:

1. *What are the changes in partner organisations' capacity during the 2012-2014 period?*
4. *What factors explain the findings drawn from the questions above?*



Changes took place in all of the five core capabilities. Below the changes in each of the capabilities are further explained, by referring to the specific indicators that changed.

Over the last two years many changes took place in the indicators under the capability to act and commit. RGVN's leader made the strategic decision to start external resource mobilisation and no longer take loans from banks. In this regard RGVN started to link with government schemes. This showed the staff that the management is now more abreast with changes and developments in their operating environment. Daily operations improved slightly because of the formation of a Project Finance Committee that speeded up the decision making process also concerning funding proposals. Also the introduction of fortnightly meetings that daily operations were in line with strategic plans. RGVN staff improved their skills in a variety of topics, including business development, due to trainings and exposure visits funded by Hivos and other funders like SIDBI and SDTT. Overall staff had more access to trainings on new trends and strategies. There was a slight deterioration in the staff's incentives as performance linked incentives stopped because resources reduced as a result of the director's decision to stop taking loans from banks. RGVN's funding situation deteriorated very slightly as they now have less donors (8) compared to the baseline (11). RGVN improved its proposal writing capacity and improved its relations with government, PSUs and private sector through the CSR hub they became involved in, which is helping in its efforts to raise funds.

In the capability to adapt and self-renew RGVN improved very slightly in two indicators. RGVN very slightly improved their M&E because of having fortnightly meetings to discuss progress, fine-tuned MIS formats and indicators which led to more focussed data collection. Management became more responsive to staff which allowed for more critical reflection during the fortnightly meetings.

In terms of the capability to deliver on development objectives, there has been a very slight improvement in balancing quality and efficiency. RGVN improved the quality of its implementation because of an improved MIS format, better planning, use of technology in accounting system and fortnightly meetings. Efficiency improved because of the Project Finance Committee which helped speed up the decision making process.

In the capability to relate, RGVN improved very slightly its relations with government departments as they worked together more with government programmes. They also improved their relations with the private sector through being involved in the national CSR hub.

Finally, RGVN revisited their strategies from a focus on microfinance to sustainable livelihood enhancement. These new strategies were still in line with their vision and mission.

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During the endline workshop some key organisational capacity changes were brought up by RGVN's staff: improved staff capacity to train partners on technology and other issues; and improved relationships with networks. The evaluators considered it important to also note down the SPO's story and this would also provide more information about reasons for change, which were difficult to get for the individual indicators. Also for some issues there may not have been relevant indicators available in the list of core indicators provide by the evaluation team.

RGVN said that their capacity improved in training their partners because of their field experience (because of low attrition rates at the Bhubaneswar office); and trainings and exposure visits they went on that were funded by Hivos, SIDBI and SDTT. RGVN staff got more access to trainings and visits because of gap identification and a change in the strategic plan which required staff to develop new skills. The gaps were identified as a result of fortnightly meetings and strengthened M&E because of donor (Hivos) requirements. RGVN improved its relationships with the government, market, PSUs and private sector. The relations with the government improved because of the new programmes RGVN is involved in and because of some trainings of government department that they attended. The linkages with the market improved because of new programmes and trainings by Hivos, SDTT and SIDBI. The relations with PSUs and the private sector improved because of new programmes and RGVN obtaining a CSR eligibility certificate and become part of a national CSR Hub of TISS, after the CSR bill got approved. The new programmes were a consequence of a change in RGVN's strategic plan, need for resource mobilisation and the formation of the Project Finance Committee. The change in strategic focus of RGVN was triggered by floods, the Phailin cyclone, the microfinance crisis and the changes in donor's priorities (from microfinance to agriculture/livelihoods). The need for resource mobilisation came from dwindling foreign funding and the decision of the director to no longer take loans from banks. According to RGVN, and in terms of the key organisational capacity changes since the baseline according to their perspective, MFS II funded capacity development interventions played a role , particularly in terms of improving their staff capacity to train partners on technology and other issues and improved linkages with the market.

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# References and Resources

## Overall evaluation methodology

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**List of documents available:**

1004806\_RGVN\_Approval of 2014 Annual Review Report.pdf  
1004806\_RGVN\_Assessment of 2014 Annual Review Report.pdf  
RGVN \_ Additional information received - responses to questions raised in assesment letter (June 2014).doc  
RGVN (1001449) Narrative action plan 2012-2013.doc  
RGVN (1001449) Narrative Report and FAS\_2011-2012\_\_\_MFIB\_.docx  
RGVN (1001449) Budget April-June 2012.xls  
Hivos assessment RGVN (1001449) FAS 2010-2011.docx  
Hivos assessment RGVN (1001449) FAS 2011-2012 (draft).docx  
Approval letter RGVN (1001449) Workplan and Budget Apr2012-Jun 2012.pdf  
Approval letter RGVN (1001449) FAS and progress report 2011-12.pdf  
Approval letter RGVN (1001449) Workplan and budget 2011-2012.pdf  
Signed contract-hard copy1.pdf  
Signed contract-hard copy.pdf  
Approval FAS 2012-13.docx  
Proposal-\_HIVOS\_by\_\_RGVN-revised.doc  
ARR + Work Plan 2013-14-15.docx  
ARR+WP 12-13-14.docx  
WORKPLAN-13-14.docx  
2013-14 GE\_RA\_1.docx  
2013-14 GE\_RA\_2.docx  
2013-14 GE\_RA\_3.docx  
Financial Audited report 2012-13.pdf  
From FC-6 (12-13) 003-004.docx  
MR-1213 001.jpg  
RP-12-13 001.jpg  
RP-12-13 002.jpg  
RP-12-13 003.jpg  
RP-12-13 004.jpg  
RP-12-13 005.jpg  
FAS add info.doc  
FC-6(12-13) 001.jpg  
FC-6(12-13) 002.jpg  
FC-6(12-13) 003.jpg  
FC-6(12-13) 004.jpg  
FCRA and MR.docx  
FCRA(12-13) 001.jpg  
FCRA(12-13) 002.jpg  
FCRA(12-13) 003.jpg

**Fieldwork data:**

Annex L\_5c endline interview guide\_subgroup\_management\_selected indicators RGVN.docx  
5c endline self-assessment sheet\_programme staff\_India\_RGVN.docx  
5c endline self-assessment sheet\_\_admin HRM Staff\_India\_RGVN.docx  
5c endline self-assessment sheet\_management\_India\_RGVN.docx  
Annex K\_5c endline workshop\_key changes and factors\_SPO perspective\_country\_RGVN.docx  
ATTENDANCE SHEET for RGVN 19 & 20 AUG Workshop.docx  
5c endline observation sheet - observations by in-country evaluators during the endline capacity assessment at the SPO\_RGVN.docx

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# List of Respondents

RGVN staff at Bhubaneswar office:

NAME	DESIGNATION	19 <sup>th</sup> Aug	20 <sup>th</sup> Aug
Mrs Dharitri Dwivedy	Assistant Director	Present	Present
Mr Subhransu Sekhar Mohanty	Program Coordinator	Present	Present
Mr Tanmaya Tilak Mohapatra	Program Coordinator	Present	Present
Mr Somya Darsan Routray	Program Coordinator (finance)	Present	Present

**RGVN director:**

Dr. Amiya Sharma, Executive Director RGVN at head office in Guwahati. Interviewed on 24 September 2014.

**CFA:**

Information provided by:

Caroline Brants, Programme Officer India at Head office of Hivos.

Karel Chambille, Evaluation Manager at Hivos.

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# Appendix 1 Methodological approach & reflection

## 1. Introduction

This appendix describes the methodological design and challenges for the assessment of capacity development of Southern Partner Organisations (SPOs), also called the '5C study'. This 5C study is organised around four key evaluation questions:

1. What are the changes in partner organisations' capacity during the 2012-2014 period?
2. To what degree are the changes identified in partner capacity attributable to development interventions undertaken by the MFS II consortia (i.e. measuring effectiveness)?
3. Were the efforts of the MFS II consortia efficient?
4. What factors explain the findings drawn from the questions above?

It has been agreed that the question (3) around efficiency cannot be addressed for this 5C study. The methodological approach for the other three questions is described below. At the end, a methodological reflection is provided.

In terms of the attribution question (2), 'process tracing' is used. This is a theory-based approach that has been applied to a selected number of SPOs since it is a very intensive and costly methodology, although it provides rich information and can generate a lot of learning within the organisations. This approach was presented and agreed-upon during the synthesis workshop on 17-18 June 2013 by the 5C teams for the eight countries of the MFS II evaluation. A more detailed description of the approach was presented during the synthesis workshop in February 2014. The synthesis team, NWO-WOTRO, the country project leaders and the MFS II organisations present at the workshop have accepted this approach. It was agreed that this approach can only be used for a selected number of SPOs since it is a very intensive and costly methodology. Key organisational capacity changes/ outcomes of the SPO were identified, based on their relationship to the two selected capabilities, the capability to act and commit the capability to adapt and self-renew, and an expected relationship with CFA supported capacity development interventions (MFS II funding). It was agreed to focus on these two capabilities, since these are the most targeted capabilities by the CFAs, as established during the baseline process.

Please find below an explanation of how the above-mentioned evaluation questions have been addressed in the 5C evaluation.

Note: the methodological approach is applied to 4 countries that the Centre for Development Innovation, Wageningen University and Research centre is involved in in terms of the 5C study (Ethiopia, India, Indonesia, Liberia). The overall approach has been agreed with all the 8 countries selected for this MFS II evaluation. The 5C country teams have been trained and coached on this methodological approach during the evaluation process. Details specific to the SPO are described in chapter 5.1 of the SPO report. At the end of this appendix a brief methodological reflection is provided.

## 2. Changes in partner organisation's capacity – evaluation question 1

This section describes the data collection and analysis methodology for answering the first evaluation question: **What are the changes in partner organisations' capacity during the 2012-2014 period?**

This question was mainly addressed by reviewing changes in 5c indicators, but additionally a 'general causal map' based on the SPO perspective on key organisational capacity changes since the baseline

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has been developed. Each of these is further explained below. The development of the general causal map is integrated in the steps for the endline workshop, as mentioned below.

During the baseline in 2012 information has been collected on each of the 33 agreed upon indicators for organisational capacity. For each of the five capabilities of the 5C framework indicators have been developed as can be seen in Appendix 2. During this 5C baseline, a summary description has been provided for each of these indicators, based on document review and the information provided by staff, the Co-financing Agency (CFA) and other external stakeholders. Also a summary description has been provided for each capability. The results of these can be read in the baseline reports.

The description of indicators for the baseline in 2012 served as the basis for comparison during the endline in 2014. In practice this meant that largely the same categories of respondents (preferably the same respondents as during the baseline) were requested to review the descriptions per indicator and indicate whether and how the endline situation (2014) is different from the described situation in 2012.<sup>7</sup> Per indicator they could indicate whether there was an improvement or deterioration or no change and also describe these changes. Furthermore, per indicator the interviewee could indicate what interventions, actors and other factors explain this change compared to the baseline situation. See below the specific questions that are asked for each of the indicators. Per category of interviewees there is a different list of indicators to be looked at. For example, staff members were presented with a list of all the indicators, whilst external people, for example partners, are presented with a select number of indicators, relevant to the stakeholder.

The information on the indicators was collected in different ways:

- 1) **Endline workshop at the SPO - self-assessment and 'general causal map'**: similar to data collection during the baseline, different categories of staff (as much as possible the same people as during the baseline) were brought together in a workshop and requested to respond, in their staff category, to the list of questions for each of the indicators (self-assessment sheet). Prior to carrying out the self-assessments, a brainstorming sessions was facilitated to develop a 'general causal map', based on the key organisational capacity changes since the baseline as perceived by SPO staff. Whilst this general causal map is not validated with additional information, it provides a sequential narrative, based on organisational capacity changes as perceived by SPO staff;
- 2) **Interviews with staff members**: additional to the endline workshop, interviews were held with SPO staff, either to provide more in-depth information on the information provided on the self-assessment formats during the workshop, or as a separate interview for staff members that were not present during the endline workshop;
- 3) **Interviews with externals**: different formats were developed for different types of external respondents, especially the co-financing agency (CFA), but also partner agencies, and organisational development consultants where possible. These externals were interviewed, either face-to-face or by phone/Skype. The interview sheets were sent to the respondents and if they wanted, these could be filled in digitally and followed up on during the interview;
- 4) **Document review**: similar to the baseline in 2012, relevant documents were reviewed so as to get information on each indicator. Documents to be reviewed included progress reports, evaluation reports, training reports, etc. (see below) since the baseline in 2012, so as to identify changes in each of the indicators;
- 5) **Observation**: similar to what was done in 2012, also in 2014 the evaluation team had a list with observable indicators which were to be used for observation during the visit to the SPO.

Below the key steps to assess changes in indicators are described.

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<sup>7</sup> The same categories were used as during the baseline (except beneficiaries, other funders): staff categories including management, programme staff, project staff, monitoring and evaluation staff, field staff, administration staff; stakeholder categories including co-financing agency (CFA), consultants, partners.

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Key steps to assess changes in indicators are described

16. Provide the description of indicators in the relevant formats – CDI team
17. Review the descriptions per indicator – in-country team & CDI team
18. Send the formats adapted to the SPO to CFA and SPO – in-country team (formats for SPO) and CDI team (formats for CFA)
19. Collect, upload & code the documents from CFA and SPO in NVivo – CDI team
20. Organise the field visit to the SPO – in-country team
21. Interview the CFA – CDI team
22. Run the endline workshop with the SPO – in-country team
23. Interview SPO staff – in-country team
24. Fill-in observation sheets – in-country team
25. Interview externals – in-country team
26. Upload and auto-code all the formats collected by in-country team and CDI team in NVivo – CDI team
27. Provide to the overview of information per 5c indicator to in-country team – CDI team
28. Analyse data and develop a draft description of the findings per indicator and for the general questions – in-country team
29. Analyse data and develop a final description of the findings per indicator and per capability and for the general questions – CDI team
30. Analyse the information in the general causal map –in-country team and CDI-team

Note: the CDI team include the Dutch 5c country coordinator as well as the overall 5c coordinator for the four countries (Ethiopia, India, Indonesia, Liberia). The 5c country report is based on the separate SPO reports.

Below each of these steps is further explained.

*Step 1. Provide the **description of indicators** in the relevant formats – CDI team*

- These formats were to be used when collecting data from SPO staff, CFA, partners, and consultants. For each of these respondents different formats have been developed, based on the list of 5C indicators, similar to the procedure that was used during the baseline assessment. The CDI team needed to add the 2012 baseline description of each indicator. The idea was that each respondent would be requested to review each description per indicator, and indicate whether the current situation is different from the baseline situation, how this situation has changed, and what the reasons for the changes in indicators are. At the end of each format, a more general question is added that addresses how the organisation has changed its capacity since the baseline, and what possible reasons for change exist. Please see below the questions asked for each indicator as well as the more general questions at the end of the list of indicators.

## General questions about key changes in the capacity of the SPO

*What do you consider to be the key changes in terms of how the organisation/ SPO has developed its capacity since the baseline (2012)?*

*What do you consider to be the main explanatory reasons (interventions, actors or factors) for these changes?*

**List of questions to be asked for each of the 5C indicators** (The entry point is the the description of each indicator as in the 2012 baseline report):

1. *How has the situation of this indicator changed compared to the situation during the baseline in 2012? Please tick one of the following scores:*
  - -2 = Considerable deterioration
  - -1 = A slight deterioration
  - 0 = No change occurred, the situation is the same as in 2012
  - +1 = Slight improvement
  - +2 = Considerable improvement
2. *Please describe what exactly has changed since the baseline in 2012*
3. *What interventions, actors and other factors explain this change compared to the baseline situation in 2012? Please tick and describe what interventions, actors or factors influenced this indicator, and how. You can tick and describe more than one choice.*
  - Intervention, actor or factor at the level of or by **SPO**: ..... .
  - Intervention, actor or factor at the level of or by the **Dutch CFA (MFS II funding)**: .... .
  - Intervention, actor or factor at the level of or by the **other funders**: ..... .
  - **Other** interventions, actors or factors: ..... .
    - Don't know.

### **Step 2. Review** the descriptions per indicator – in-country team & CDI team

Before the in-country team and the CDI team started collecting data in the field, it was important that they reviewed the description for each indicator as described in the baseline reports, and also added to the endline formats for review by respondents. These descriptions are based on document review, observation, interviews with SPO staff, CFA staff and external respondents during the baseline. It was important to explain this to respondents before they filled in the formats.

### **Step 3. Send the formats** adapted to the SPO to CFA and SPO – in-country team (formats for SPO) and CDI team (formats for CFA)

The CDI team was responsible for collecting data from the CFA:

- 5C Endline assessment Dutch co-financing organisation;
- 5C Endline support to capacity sheet – CFA perspective.

The in-country team was responsible for collecting data from the SPO and from external respondents (except CFA). The following formats were sent before the fieldwork started:

- 5C Endline support to capacity sheet – SPO perspective.
- 5C Endline interview guides for externals: partners; OD consultants.

### **Step 4. Collect, upload & code the documents** from CFA and SPO in NVivo – CDI team

The CDI team, in collaboration with the in-country team, collected the following documents from SPOs and CFAs:

- Project documents: project proposal, budget, contract (Note that for some SPOs there is a contract for the full MFS II period 2011-2015; for others there is a yearly or 2-yearly contract. All new contracts since the baseline in 2012 will need to be collected);
- Technical and financial progress reports since the baseline in 2012;.

- Mid-term evaluation reports;
- End of project-evaluation reports (by the SPO itself or by external evaluators);
- Contract intake forms (assessments of the SPO by the CFA) or organisational assessment scans made by the CFA that cover the 2011-2014 period;
- Consultant reports on specific inputs provided to the SPO in terms of organisational capacity development;
- Training reports (for the SPO; for alliance partners, including the SPO);
- Organisational scans/ assessments, carried out by the CFA or by the Alliance Assessments;
- Monitoring protocol reports, especially for the 5C study carried out by the MFS II Alliances;
- Annual progress reports of the CFA and of the Alliance in relation to capacity development of the SPOs in the particular country;
- Specific reports that are related to capacity development of SPOs in a particular country.

The following documents (since the baseline in 2012) were requested from SPO:

- Annual progress reports;
- Annual financial reports and audit reports;
- Organisational structure vision and mission since the baseline in 2012;
- Strategic plans;
- Business plans;
- Project/ programme planning documents;
- Annual work plan and budgets;
- Operational manuals;
- Organisational and policy documents: finance, human resource development, etc.;
- Monitoring and evaluation strategy and implementation plans;
- Evaluation reports;
- Staff training reports;
- Organisational capacity reports from development consultants.

The CDI team will coded these documents in NVivo (qualitative data analysis software program) against the 5C indicators.

#### *Step 5. Prepare and organise the field visit to the SPO – in-country team*

Meanwhile the in-country team prepared and organised the logistics for the field visit to the SPO:

- **General endline workshop** consisted about one day for the self-assessments (about ½ to ¾ of the day) and brainstorm (about 1 to 2 hours) on key organisational capacity changes since the baseline and underlying interventions, factors and actors ('general causal map'), see also explanation below. This was done with the five categories of key staff: managers; project/ programme staff; monitoring and evaluation staff; admin & HRM staff; field staff. Note: for SPOs involved in process tracing an additional 1 to 1½ day workshop (managers; program/project staff; monitoring and evaluation staff) was necessary. See also step 7;
- **Interviews with SPO staff** (roughly one day);
- **Interviews with external respondents** such as partners and organisational development consultants depending on their proximity to the SPO. These interviews could be scheduled after the endline workshop and interviews with SPO staff.

#### General causal map

During the 5C endline process, a 'general causal map' has been developed, based on key organisational capacity changes and underlying causes for these changes, as perceived by the SPO. The general causal map describes cause-effect relationships, and is described both as a visual as well as a narrative.

As much as possible the same people that were involved in the baseline were also involved in the endline workshop and interviews.

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#### **Step 6. Interview the CFA – CDI team**

The CDI team was responsible for sending the sheets/ formats to the CFA and for doing a follow-up interview on the basis of the information provided so as to clarify or deepen the information provided. This relates to:

- 5C Endline assessment Dutch co-financing organisation;
- 5C Endline support to capacity sheet - CFA perspective.

#### **Step 7. Run the endline workshop with the SPO – in-country team**

This included running the endline workshop, including facilitation of the development of the general causal map, self-assessments, interviews and observations. Particularly for those SPOs that were selected for process tracing all the relevant information needed to be analysed prior to the field visit, so as to develop an initial causal map. Please see Step 6 and also the next section on process tracing (evaluation question two).

An endline workshop with the SPO was intended to:

- Explain the purpose of the fieldwork;
- Carry out in the self-assessments by SPO staff subgroups (unless these have already been filled prior to the field visits) - this may take some 3 hours.
- Facilitate a brainstorm on key organisational capacity changes since the baseline in 2012 and underlying interventions, factors and actors.

**Purpose of the fieldwork:** to collect data that help to provide information on what changes took place in terms of organisational capacity development of the SPO as well as reasons for these changes. The baseline that was carried out in 2012 was to be used as a point of reference.

**Brainstorm on key organisational capacity changes and influencing factors:** a brainstorm was facilitated on key organisational capacity changes since the baseline in 2012. In order to kick start the discussion, staff were reminded of the key findings related to the historical time line carried out in the baseline (vision, mission, strategies, funding, staff). This was then used to generate a discussion on key changes that happened in the organisation since the baseline (on cards). Then cards were selected that were related to organisational capacity changes, and organised. Then a 'general causal map' was developed, based on these key organisational capacity changes and underlying reasons for change as experienced by the SPO staff. This was documented as a visual and narrative. This general causal map was to get the story of the SPO on what they perceived as key organisational capacity changes in the organisation since the baseline, in addition to the specific details provided per indicator.

**Self-assessments:** respondents worked in the respective staff function groups: management; programme/ project staff; monitoring and evaluation staff; admin and HRM staff; field staff. Staff were assisted where necessary so that they could really understand what it was they were being asked to do as well as what the descriptions under each indicator meant.

Note: for those SPOs selected for process tracing an additional endline workshop was held to facilitate the development of detailed causal maps for each of the identified organisational change/ outcome areas that fall under the capability to act and commit, and under the capability to adapt and self-renew, and that are likely related to capacity development interventions by the CFA. See also the next section on process tracing (evaluation question two). It was up to the in-country team whether this workshop was held straight after the initial endline workshop or after the workshop and the follow-up interviews. It could also be held as a separate workshop at another time.

#### **Step 8. Interview SPO staff – in-country team**

After the endline workshop (developing the general causal map and carrying out self-assessments in subgroups), interviews were held with SPO staff (subgroups) to follow up on the information that was provided in the self-assessment sheets, and to interview staff that had not yet provided any information.



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**Step 9. Fill-in observation sheets\_ – in-country team**

During the visit at the SPO, the in-country team had to fill in two sheets based on their observation:

- 5C Endline observation sheet;
- 5C Endline observable indicators.

**Step 10. Interview externals – in-country team & CDI team**

The in-country team also needed to interview the partners of the SPO as well as organisational capacity development consultants that have provided support to the SPO. The CDI team interviewed the CFA.

**Step 11. Upload and auto-code all the formats collected by in-country team and CDI team – CDI team**

The CDI team was responsible for uploading and auto-coding (in Nvivo) of the documents that were collected by the in-country team and by the CDI team.

**Step 12. Provide the overview of information per 5C indicator to in-country team – CDI team**

After the analysis in NVivo, the CDI team provided a copy of all the information generated per indicator to the in-country team for initial analysis.

**Step 13. Analyse the data and develop a draft description\_of the findings per indicator and for the general questions – in-country team**

The in-country team provided a draft description of the findings per indicator, based on the information generated per indicator. The information generated under the general questions were linked to the general causal map or detailed process tracing related causal map.

**Step 14. Analyse the data and finalize the description of the findings per indicator, per capability and general – CDI team**

The CDI team was responsible for checking the analysis by the in-country team with the Nvivo generated data and to make suggestions for improvement and ask questions for clarification to which the in-country team responded. The CDI team then finalised the analysis and provided final descriptions and scores per indicator and also summarize these per capability and calculated the summary capability scores based on the average of all indicators by capability.

**Step 15. Analyse the information in the general causal map –in-country team & CDI team**

The general causal map based on key organisational capacity changes as perceived by the SPO staff present at the workshop, was further detailed by in-country team and CDI team, and based on the notes made during the workshop and where necessary additional follow up with the SPO. The visual and narrative was finalized after feedback by the SPO. During analysis of the general causal map relationships with MFS II support for capacity development and other factors and actors were identified. All the information has been reviewed by the SPO and CFA.

### 3. Attributing changes in partner organisation's capacity – evaluation question 2

This section describes the data collection and analysis methodology for answering the second evaluation question: ***To what degree are the changes identified in partner capacity attributable to (capacity) development interventions undertaken by the MFS II consortia (i.e. measuring effectiveness)?***

In terms of the attribution question (2), 'process tracing' is used. This is a theory-based approach that has been applied to a selected number of SPOs since it is a very intensive and costly methodology, although it provides rich information and can generate a lot of learning within the organisations. Key organisational capacity changes/ outcomes of the SPO were identified, based on their relationship to the two selected capabilities, the capability to act and commit the capability to adapt and self-renew, and an expected relationship with CFA supported capacity development interventions (MFS II funding). It was agreed to focus on these two capabilities, since these are the most targeted capabilities by the CFAs, as established during the baseline process. The box below provides some background information on process tracing.

#### Background information on process tracing

The essence of process tracing research is that scholars want to go beyond merely identifying correlations between independent variables (Xs) and outcomes (Ys). Process tracing in social science is commonly defined by its addition to trace causal mechanisms (Bennett, 2008a, 2008b; Checkle, 2008; George & Bennett, 2005). A causal mechanism can be defined as "a complex system which produces an outcome by the interaction of a number of parts" (Glennan, 1996, p. 52). Process tracing involves "attempts to identify the intervening causal process – the causal chain and causal mechanism – between an independent variable (or variables) and the outcome of the dependent variable" (George & Bennett, 2005, pp. 206-207).

Process tracing can be differentiated into three variants within social science: theory testing, theory building, and explaining outcome process tracing (Beach & Pedersen, 2013).

Theory testing process tracing uses a theory from the existing literature and then tests whether evidence shows that each part of hypothesised causal mechanism is present in a given case, enabling within case inferences about whether the mechanism functioned as expected in the case and whether the mechanism as a whole was present. No claims can be made however, about whether the mechanism was the only cause of the outcome.

Theory building process tracing seeks to build generalizable theoretical explanations from empirical evidence, inferring that a more general causal mechanism exists from the fact of a particular case.

Finally, explaining outcome process tracing attempts to craft a minimally sufficient explanation of a puzzling outcome in a specific historical case. Here the aim is not to build or test more general theories but to craft a (minimally) sufficient explanation of the outcome of the case where the ambitions are more case centric than theory oriented.

Explaining outcome process tracing is the most suitable type of process tracing for analysing the causal mechanisms for selected key organisational capacity changes of the SPOs. This type of process tracing can be thought of as a single outcome study defined as seeking the causes of the specific outcome in a single case (Gerring, 2006; in: Beach & Pedersen, 2013). Here the ambition is to craft a minimally sufficient explanation of a particular outcome, with sufficiency defined as an explanation that accounts for all of the important aspects of an outcome with no redundant parts being present (Mackie, 1965).

Explaining outcome process tracing is an iterative research strategy that aims to trace the complex conglomerate of systematic and case specific causal mechanisms that produced the outcome in question. The explanation cannot be detached from the particular case. Explaining outcome process tracing refers to case studies whose primary ambition is to explain particular historical outcomes, although the findings of the case can also speak to other potential cases of the phenomenon. Explaining outcome process tracing is an iterative research process in which 'theories' are tested to see whether they can provide a minimally sufficient explanation of the outcome. Minimal sufficiency is defined as an explanation that accounts for an outcome, with no redundant parts. In most explaining outcome studies, existing theorisation cannot provide a sufficient explanation, resulting in a second stage in which existing theories are re-conceptualised in light of the evidence gathered in the preceding empirical analysis. The conceptualisation phase in explaining outcome process tracing is therefore an iterative research process, with initial mechanisms re-conceptualised and tested until the result is a theorised mechanism that provides a minimally sufficient explanation of the particular outcome.

Below a description is provided of how SPOs are selected for process tracing, and a description is provided on how this process tracing is to be carried out. Note that this description of process tracing provides not only information on the extent to which the changes in organisational development can be attributed to MFS II (evaluation question 2), but also provides information on other contributing factors and actors (evaluation question 4). Furthermore, it must be noted that the evaluation team has developed an adapted form of 'explaining outcome process tracing', since the data collection and analysis was an iterative process of research so as to establish the most realistic explanation for a particular outcome/ organisational capacity change. Below selection of SPOs for process tracing as well as the different steps involved for process tracing in the selected SPOs, are further explained.

### Selection of SPOs for 5C process tracing

Process tracing is a very intensive methodology that is very time and resource consuming (for development and analysis of one final detailed causal map, it takes about 1-2 weeks in total, for different members of the evaluation team). It has been agreed upon during the synthesis workshop on 17-18 June 2013 that only a selected number of SPOs will take part in this process tracing for the purpose of understanding the attribution question. The selection of SPOs is based on the following criteria:

- MFS II support to the SPO has not ended before 2014 (since this would leave us with too small a time difference between intervention and outcome);
- Focus is on the 1-2 capabilities that are targeted most by CFAs in a particular country;
- Both the SPO and the CFA are targeting the same capability, and preferably aim for similar outcomes;
- Maximum one SPO per CFA per country will be included in the process tracing.

The intention was to focus on about 30-50% of the SPOs involved. Please see the tables below for a selection of SPOs per country. Per country, a first table shows the extent to which a CFA targets the five capabilities, which is used to select the capabilities to focus on. A second table presents which SPO is selected, and takes into consideration the selection criteria as mentioned above.

### ETHIOPIA

For Ethiopia the capabilities that are mostly targeted by CFAs are the capability to act and commit and the capability to adapt and self-renew. See also the table below.

Table 1

*The extent to which the Dutch NGO explicitly targets the following capabilities – Ethiopia*

Capability to:	AMREF	CARE	ECFA	FSCE	HOA- REC	HUND EE	NVEA	OSRA	TTCA
Act and commit	5	4	5	5	5	3	4	4	3
Deliver on development objectives	2	1	1	1	2	1	1	2	1
Adapt and self-renew	4	2	3	4	2	5	3	3	3
Relate	3	1	2	2	3	2	1	3	1
Achieve coherence	2	2	1	1	1	1	1	1	1

Note: Number 1 stands for not targeted, 5 for intensively targeted. These scores are relative scores for the interventions by the CFA to strengthen the capacity of the SPO. The scores are relative to each other, a higher score means that this capability gets more attention by the CFA compared to other capabilities.

Source: country baseline report, Ethiopia.

Below you can see the table describing when the contract with the SPO is to be ended, and whether both SPO and the CFA expect to focus on these two selected capabilities (with MFS II funding). Based on the above-mentioned selection criteria the following SPOs are selected for process tracing: AMREF,

ECFA, FSCE, HUNDEE. In fact, six SPOs would be suitable for process tracing. We just selected the first one per CFA following the criteria of not including more than one SPO per CFA for process tracing

Table 2

*SPOs selected for process tracing – Ethiopia*

Ethiopia – SPOs	End of contract	Focus on capability to act and commit – by SPO	Focus on capability to act and commit – by CFA	Focus on capability to adapt and self-renew – by SPO	Focus on capability to adapt and self-renew – by CFA	CFA	Selected for process tracing
AMREF	Dec 2015	Yes	Yes	Yes	Yes	AMREF NL	Yes
CARE	Dec 31, 2015	Partly	Yes	Yes	Yes – slightly	CARE Netherlands	No - not fully matching
ECFA	Jan 2015	Yes	Yes	Yes	Yes	Child Helpline International	Yes
FSCE	Dec 2015	Yes	Yes	Yes	Yes	Stichting Kinderpostzegels Netherlands (SKN); Note: no info from Defence for Children – ECPAT Netherlands	Yes
HOA-REC	Sustainable Energy project (ICCO Alliance): 2014 Innovative WASH (WASH Alliance): Dec 2015	Yes	Yes	Yes	Yes - slightly	ICCO	No - not fully matching
HUNDEE	Dec 2014	Yes	Yes	Yes	Yes	ICCO & IICD	Yes
NVEA	Dec 2015 (both)	Yes	Yes	Yes	Yes	Edukans Foundation (under two consortia); Stichting Kinderpostzegels Netherlands (SKN)	Suitable but SKN already involved for process tracing - FSCE
OSRA	C4C Alliance project (farmers marketing): December 2014 ICCO Alliance project (zero grazing): 2014 (2 <sup>nd</sup> phase)	Yes	Yes	Yes	Yes	ICCO & IICD	Suitable but ICCO & IICD already involved for process tracing - HUNDEE
TTCA	June 2015	Partly	Yes	No	Yes	Edukans Foundation	No - not fully matching

## INDIA

For India the capability that is mostly targeted by CFAs is the capability to act and commit. The next one in line is the capability to adapt and self-renew. See also the table below in which a higher score means that the specific capability is more intensively targeted.

Table 3

*The extent to which the Dutch NGO explicitly targets the following capabilities – India<sup>8</sup>*

Capability to:	BVHA	COUNT	DRISTI	FFID	Jana Vikas	Samar thak Samiti	SMILE	SDS	VTRC
Act and commit	5	3	4	4	4	4	4	3	5
Deliver on development objectives	1	5	1	1	1	1	1	2	1
Adapt and self-renew	2	2	1	3	1	1	4	1	4
Relate	3	1	1	1	1	1	2	1	2
Achieve coherence	1	1	1	4	1	1	1	1	2

Note: Number 1 stands for not targeted, 5 for intensively targeted. These scores are relative scores for the interventions by the CFA to strengthen the capacity of the SPO. The scores are relative to each other, a higher score means that this capability gets more attention by the CFA compared to other capabilities.

Source: country baseline report, India.

Below you can see a table describing when the contract with the SPO is to be ended and whether SPO and the CFA both expect to focus on these two selected capabilities (with MFS II funding). Based on the above-mentioned selection criteria the following SPOs are selected for process tracing: BVHA, COUNT, FFID, SMILE and VTRC. Except for SMILE (capability to act and commit only), for the other SPOs the focus for process tracing can be on the capability to act and commit and on the capability to adapt and self-renew.

Table 4

*SPOs selected for process tracing – India*

India – SPOs	End of contract	Focus on capability to act and commit – by SPO	Focus on capability to act and commit – by CFA	Focus on capability to adapt and self-renew – by SPO	Focus on capability to adapt and self-renew – by CFA	CFA	Selected for process tracing
BVHA	2014	Yes	Yes	Yes	Yes	Simavi	Yes; both capabilities
COUNT	2015	Yes	Yes	Yes	Yes	Woorden Daad	Yes; both capabilities
DRISTI	31-03-2012	Yes	Yes	No	no	Hivos	No - closed in 2012
FFID	30-09-2014	Yes	Yes	Yes	Yes	ICCO	Yes

<sup>8</sup> RGVN, NEDSF and Women's Rights Forum (WRF) could not be reached timely during the baseline due to security reasons. WRF could not be reached at all. Therefore these SPOs are not included in Table 1.

India – SPOs	End of contract	Focus on capability to act and commit – by SPO	Focus on capability to act and commit – by CFA	Focus on capability to adapt and self-renew –by SPO	Focus on capability to adapt and self-renew – by CFA	CFA	Selected for process tracing
Jana Vikas	2013	Yes	Yes	Yes	No	Cordaid	No - contract is and the by now; not fully matching focus
NEDSF							No – delayed baseline
RGVN							No - delayed baseline
Samarthak Samiti (SDS)	2013 possibly longer	Yes	Yes	Yes	No	Hivos	No - not certain of end date and not fully matching focus
Shivi Development Society (SDS)	Dec 2013 intention 2014	Yes	Yes	Yes	No	Cordaid	No - not fully matching focus
Smile	2015	Yes	Yes	Yes	Yes	Wilde Ganzen	Yes; first capability only
VTRC	2015	Yes	Yes	Yes	Yes	Stichting Red een Kind	Yes; both capabilities

## INDONESIA

For Indonesia the capabilities that are most frequently targeted by CFAs are the capability to act and commit and the capability to adapt and self-renew. See also the table below.

Table 5

*The extent to which the Dutch NGO explicitly targets the following capabilities – Indonesia*

Capability to:	ASB	Daya ikologi	ECPAT	GSS	Lem bage Kita	Pt. PPMA	Rifka Annisa	WIIP	Yad upa	Yayasan Kelola	YPI	YRBI
Act and commit	4	4	4	5	4	4	5	3	3	2	5	4
Deliver on development objectives	1	1	1	2	2	1	2	1	1	1	1	1
Adapt and self-renew	3	1	2	4	2	3	4	4	1	1	4	3
Relate	1	1	2	3	3	2	1	2	2	2	3	2
Achieve coherence	1	1	1	2	1	1	2	2	1	1	2	1

Note: Number 1 stands for not targeted, 5 for intensively targeted. These scores are relative scores for the interventions by the CFA to strengthen the capacity of the SPO. The scores are relative to each other, a higher score means that this capability gets more attention by the CFA compared to other capabilities.

Source: country baseline report, Indonesia.

The table below describes when the contract with the SPO is to be ended and whether both SPO and the CFA expect to focus on these two selected capabilities (MFS II funding). Based on the above-mentioned selection criteria the following SPOs are selected for process tracing: ASB, ECPAT, Pt.PPMA, YPI, YRBI.

**Table 6**

*SPOs selected for process tracing – Indonesia*

Indonesia – SPOs	End of contract	Focus on capability to act and commit – by SPO	Focus on capability to act and commit – by CFA	Focus on capability to adapt and self-renew – by SPO	Focus on capability to adapt and self-renew – by CFA	CFA	Selected for process tracing
ASB	February 2012; extension Feb,1, 2013 – June,30, 2016	Yes	Yes	Yes	Yes	Hivos	Yes
Dayakologi	2013; no extension	Yes	Yes	Yes	No	Cordaid	No: contract ended early and not matching enough
ECPAT	August 2013; Extension Dec 2014	Yes	Yes	Yes, a bit	Yes	Free Press Unlimited - Mensen met een Missie	Yes
GSS	31 December 2012; no extension	Yes	Yes	Yes, a bit	Yes	Free Press Unlimited - Mensen met een Missie	No: contract ended early
Lembaga Kita	31 December 2012; no extension	Yes	Yes	No	Yes	Free Press Unlimited - Mensen met een Missie	No - contract ended early
Pt.PPMA	May 2015	Yes	Yes	No	Yes	IUCN	Yes, capability to act and commit only
Rifka Annisa	Dec, 31 2015	No	Yes	No	Yes	Rutgers WPF	No - no match between expectations CFA and SPO
WIIP	Dec 2015	Yes	Not MFS II	Yes	Not MFS II	Red Cross	No - Capacity development interventions are not MFS II financed. Only some overhead is MFS II

Indonesia – SPOs	End of contract	Focus on capability to act and commit – by SPO	Focus on capability to act and commit – by CFA	Focus on capability to adapt and self-renew – by SPO	Focus on capability to adapt and self-renew – by CFA	CFA	Selected for process tracing
Yayasan Kelola	Dec 30, 2013; extension of contract being processed for two years (2014-2015)	Yes	Not really	Yes	Not really	Hivos	No - no specific capacity development interventions planned by Hivos
YPI	Dec 31, 2015	Yes	Yes	Yes	Yes	Rutgers WPF	Yes
YRBI	Oct, 30, 2013; YRBI end of contract from 31st Oct 2013 to 31st Dec 2013. Contract extension proposal is being proposed to MFS II, no decision yet.	Yes	Yes	Yes	Yes	ICCO	Yes
Yadupa	Under negotiation during baseline; new contract 2013 until now	Yes	Nothing committed	Yes	Nothing committed	IUCN	No, since nothing was committed by CFA

## LIBERIA

For Liberia the situation is arbitrary which capabilities are targeted most CFA's. Whilst the capability to act and commit is targeted more often than the other capabilities, this is only so for two of the SPOs. The capability to adapt and self-renew and the capability to relate are almost equally targeted for the five SPOs, be it not intensively. Since the capability to act and commit and the capability to adapt and self-renew are the most targeted capabilities in Ethiopia, India and Indonesia, we choose to focus on these two capabilities for Liberia as well. This would help the synthesis team in the further analysis of these capabilities related to process tracing. See also the table below.



**Table 7**

*The extent to which the Dutch NGO explicitly targets the following capabilities – Liberia*

Capability to:	BSC	DEN-L	NAWOCOL	REFOUND	RHRAP
Act and commit	5	1	1	1	3
Deliver on development objectives	3	1	1	1	1
Adapt and self-renew	2	2	2	2	2
Relate	1	2	2	2	2
Achieve coherence	1	1	1	1	1

Note: Number 1 stands for not targeted, 5 for intensively targeted. These scores are relative scores for the interventions by the CFA to strengthen the capacity of the SPO. The scores are relative to each other, a higher score means that this capability gets more attention by the CFA compared to other capabilities.

Source: country baseline report, Liberia.

Below you can see the table describing when the contract with the SPO is to be ended, and whether both SPO and the CFA expect to focus on these two selected capabilities (with MFS II funding). Also, for two of the five SPOs capability to act and commit is targeted more intensively compared to the other capabilities. Based on the above-mentioned selection criteria the following SPOs are selected for process tracing: BSC and RHRAP.

**Table 8**

*SPOs selected for process tracing – Liberia*

Liberia – SPOs	End of contract	Focus on capability to act and commit – by SPO	Focus on capability to act and commit – by CFA	Focus on capability to adapt and self-renew – by SPO	Focus on capability to adapt and self-renew – by CFA	CFA	Selected for process tracing
BSC	Dec 31, 2015	Yes	Yes	Yes	Yes	SPARK	Yes
DEN-L	2014	No	No	Unknown	A little	ICCO	No – not matching enough
NAWOCOL	2014	Yes	No	No	A little	ICCO	No – not matching enough
REFOUND	At least until 2013 (2015?)	Yes	No	Yes	A little	ICCO	No – not matching enough
RHRAP	At least until 2013 (2014?)	Yes	Yes	Yes	Yes	ICCO	Yes

**Key steps in process tracing for the 5C study**

In the box below you will find the key steps developed for the 5C process tracing methodology. These steps will be further explained here. Only key staff of the SPO is involved in this process: management; programme/ project staff; and monitoring and evaluation staff, and other staff that could provide information relevant to the identified outcome area/key organisational capacity change. Those SPOs selected for process tracing had a separate endline workshop, in addition to the ' general endline workshop. This workshop was carried out after the initial endline workshop and the interviews during the field visit to the SPO. Where possible, the general and process tracing endline workshop have been held consecutively, but where possible these workshops were held at different points in

time, due to the complex design of the process. Below the detailed steps for the purpose of process tracing are further explained.

#### Key steps in process tracing for the 5C study

1. Identify the planned MFS II supported capacity development interventions within the selected capabilities (capability to act and commit and capability to adapt and self-renew) – CDI team
2. Identify the implemented MFS II supported capacity development interventions within the selected capabilities (capability to act and commit and capability to adapt and self-renew) – CDI team
3. Identify initial changes/ outcome areas in these two capabilities – CDI team & in-country team
4. Construct the detailed, initial causal map (theoretical model of change) – CDI team & in-country team
5. Identify types of evidence needed to verify or discard different causal relationships in the model of change – in-country teams, with support from CDI team
6. Collect data to verify or discard causal mechanisms and construct workshop based, detailed causal map (model of change) – in-country team
7. Assess the quality of data and analyse data and develop final detailed causal map (model of change) – in-country team with CDI team
8. Analyse and conclude on findings– CDI team, in collaboration with in-country team

#### Some definitions of the terminology used for this MFS II 5c evaluation

Based upon the different interpretations and connotations the use of the term causal mechanism we use the following terminology for the remainder of this paper:

A **detailed causal map** (or **model of change**) = the representation of all possible explanations – causal pathways for a change/ outcome. These pathways are that of the intervention, rival pathways and pathways that combine parts of the intervention pathway with that of others. This also depicts the reciprocity of various events influencing each other and impacting the overall change.

A **causal mechanism** = is the combination of parts that ultimately explains an outcome. Each part of the mechanism is an individually insufficient but necessary factor in a whole mechanism, which together produce the outcome (Beach and Pedersen, 2013, p. 176).

**Part** or **cause** = one actor with its attributes carrying out activities/ producing outputs that lead to change in other parts. The final part or cause is the change/ outcome.

**Attributes of the actor** = specificities of the actor that increase his chance to introduce change or not such as its position in its institutional environment.

*Step 1. Identify the **planned MFS II supported capacity development interventions** within the selected capabilities (capability to act and commit and capability to adapt and self-renew) – CDI team*

Chapter 4.1 and 4.2 in the baseline report were reviewed. Capacity development interventions as planned by the CFA for the capability to act and commit and for the capability to adapt and self-renew were described and details inserted in the summary format. This provided an overview of the capacity development activities that were originally planned by the CFA for these two capabilities and assisted in focusing on relevant outcomes that are possibly related to the planned interventions.

*Step 2. Identify the **implemented capacity development interventions** within the selected capabilities (capability to act and commit and capability to adapt and self-renew) – CDI team*

The input from the CFA was reviewed in terms of what capacity development interventions have taken place in the MFS II period. This information was found in the 'Support to capacity development sheet - endline - CFA perspective' for the SPO, based on details provided by the CFA and further discussed during an interview by the CDI team.

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The CFA was asked to describe all the MFS II supported capacity development interventions of the SPO that took place during the period 2011 up to now. The CDI team reviewed this information, not only the interventions but also the observed changes as well as the expected long-term changes, and then linked these interventions to relevant outcomes in one of the capabilities (capability to act and commit; and capability to adapt and self-renew).

*Step 3. Identify **initial changes/ outcome areas** in these two capabilities – by CDI team & in-country team*

The CDI team was responsible for coding documents received from SPO and CFA in NVivo on the following:

- 5C Indicators: this was to identify the changes that took place between baseline and endline. This information was coded in Nvivo.
- Information related to the capacity development interventions implemented by the CFA (with MFS II funding) (see also Step 2) to strengthen the capacity of the SPO. For example, the training on financial management of the SPO staff could be related to any information on financial management of the SPO. This information was coded in Nvivo.

In addition, the response by the CFA to the changes in 5C indicators format, was auto-coded.

The in-country team was responsible for timely collection of information from the SPO (before the fieldwork starts). This set of information dealt with:

- MFS II supported capacity development interventions during the MFS II period (2011 until now).
- Overview of all trainings provided in relation to a particular outcome areas/organisational capacity change since the baseline.
- For each of the identified MFS II supported trainings, training questionnaires have been developed to assess these trainings in terms of the participants, interests, knowledge and skills gained, behaviour change and changes in the organisation (based on Kirkpatrick's model), one format for training participants and one for their managers. These training questionnaires were sent prior to the field visit.
- Changes expected by SPO on a long-term basis ('Support to capacity development sheet - endline - SPO perspective').

For the selection of change/ outcome areas the following criteria were important:

- The change/ outcome area is in one of the two capabilities selected for process tracing: capability to act and commit or the capability to adapt and self-renew. This was the first criteria to select upon.
- There was a likely link between the key organisational capacity change/ outcome area and the MFS II supported capacity development interventions. This also was an important criteria. This would need to be demonstrated through one or more of the following situations:
  - In the 2012 theory of change on organisational capacity development of the SPO a link was indicated between the outcome area and MFS II support;
  - During the baseline the CFA indicated a link between the planned MFS II support to organisational development and the expected short-term or long-term results in one of the selected capabilities;
  - During the endline the CFA indicated a link between the implemented MFS II capacity development interventions and observed short-term changes and expected long-term changes in the organisational capacity of the SPO in one of the selected capabilities;
  - During the endline the SPO indicated a link between the implemented MFS II capacity development interventions and observed short-term changes and expected long-term changes in the organisational capacity of the SPO in one of the selected capabilities.

Reviewing the information obtained as described in Step 1, 2, and 3 provided the basis for selecting key organisational capacity change/ outcome areas to focus on for process tracing. These areas were to be formulated as broader outcome areas, such as 'improved financial management', 'improved monitoring and evaluation' or 'improved staff competencies'.

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Note: the outcome areas were to be formulated as intermediates changes. For example: an improved monitoring and evaluation system, or enhanced knowledge and skills to educate the target group on climate change. Key outcome areas were also verified - based on document review as well as discussions with the SPO during the endline.

*Step 4. Construct the **detailed, initial causal map** (theoretical model of change) – CDI & in-country team*

A detailed initial causal map was developed by the CDI team, in collaboration with the in-country team. This was based on document review, including information provided by the CFA and SPO on MFS II supported capacity development interventions and their immediate and long-term objectives as well as observed changes. Also, the training questionnaires were reviewed before developing the initial causal map. This detailed initial causal map was to be provided by the CDI team with a visual and related narrative with related references. This initial causal map served as a reference point for further reflection with the SPO during the process tracing endline workshop, where relationships needed to be verified or new relationships established so that the second (workshop-based), detailed causal map could be developed, after which further verification was needed to come up with the final, concluding detailed causal map.

It's important to note that organisational change area/ outcome areas could be both positive and negative.

For each of the selected outcomes the team needed to make explicit the theoretical model of change. This meant finding out about the range of different actors, factors, actions, and events etc. that have contributed to a particular outcome in terms of organisational capacity of the SPO.

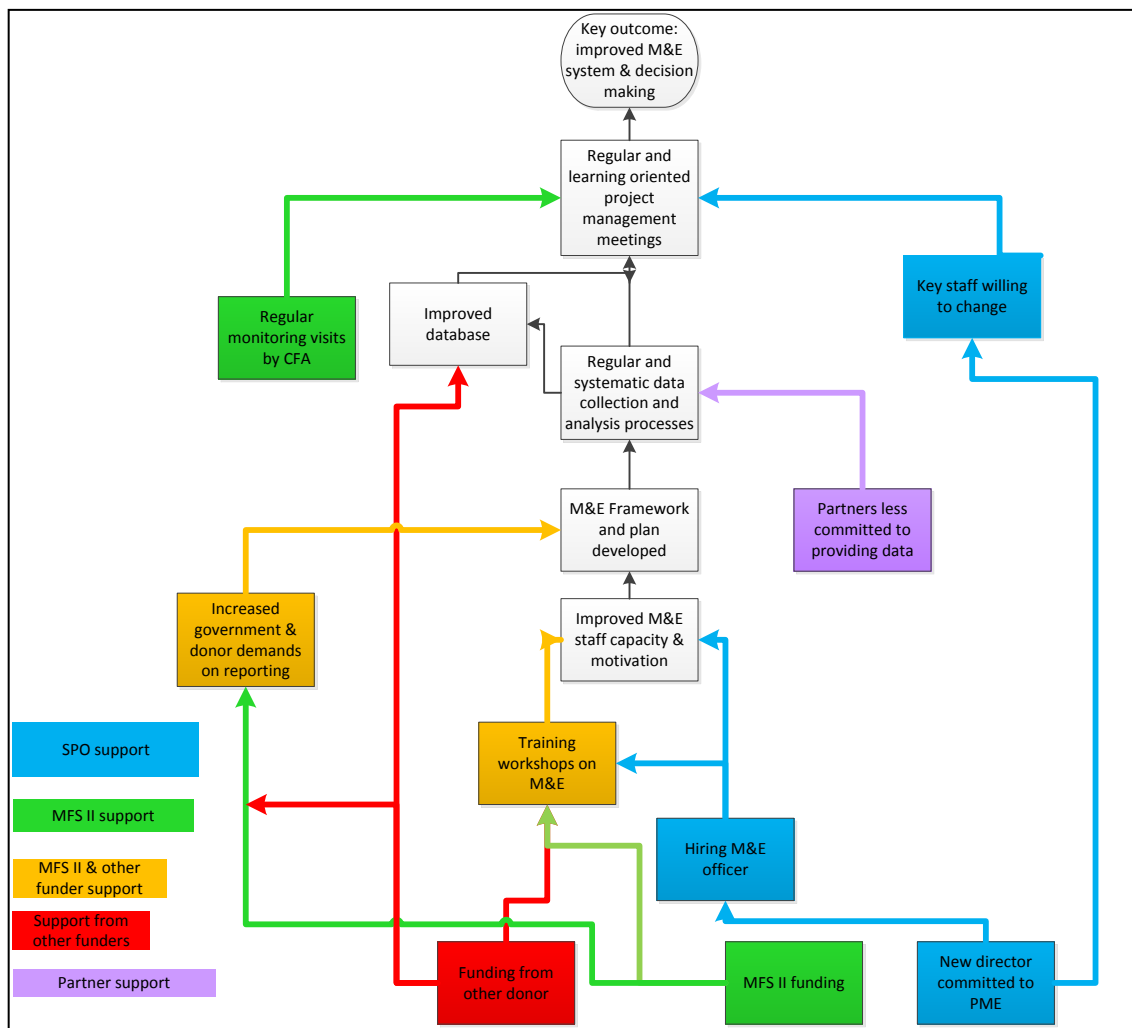
A model of change of good quality includes:

- The causal pathways that relate the intervention to the realised change/ outcome;
- Rival explanations for the same change/ outcome;
- Assumptions that clarify relations between different components or parts;
- Case specific and/or context specific factors or risks that might influence the causal pathway, such as for instance the socio-cultural-economic context, or a natural disaster;
- Specific attributes of the actors e.g. CFA and other funders.

A model of change (within the 5C study called a 'detailed causal map') is a complex system which produces intermediate and long-term outcomes by the interaction of other parts. It consists of parts or causes that often consist of one actor with its attributes that is implementing activities leading to change in other parts (Beach & Pedersen, 2013). A helpful way of constructing the model of change is to think in terms of actors carrying out activities that lead to other actors changing their behaviour. The model of change can be explained as a range of activities carried out by different *actors* (including the CFA and SPO under evaluation) that will ultimately lead to an outcome. Besides this, there are also '*structural*' elements, which are to be interpreted as external factors (such as economic conjuncture); and *attributes* of the actor (does the actor have the legitimacy to ask for change or not, what is its position in the sector) that should be looked at (Beach & Pedersen, 2013). In fact Beach and Pedersen, make a fine point about the subjectivity of the actor in a dynamic context. This means, in qualitative methodologies, capturing the changes in the actor, acted upon area or person/organisation, in a non sequential and non temporal format. Things which were done recently could have corrected behavioural outcomes of an organisation and at the same ime there could be processes which incrementally pushed for the same change over a period of time. Beach and Pedersen espouse this methodology because it captures change in a dynamic fashion as against the methodology of logical framework. For the MFS II evaluation it was important to make a distinction between those paths in the model of change that are the result of MFS II and rival pathways.

The construction of the model of change started with the identified key organisational capacity change/ outcome, followed by an inventory of all possible subcomponents that possibly have caused the change/ outcome in the MFS II period (2011-up to now, or since the baseline). The figure below presents an imaginary example of a model of change. The different colours indicate the different types of support to capacity development of the SPO by different actors, thereby indicating different

pathways of change, leading to the key changes/ outcomes in terms of capacity development (which in this case indicates the ability to adapt and self-renew).



**Figure 1** An imaginary example of a model of change

*Step 5. Identify **types of evidence** needed to verify or discard different causal relationships in the model of change – in-country teams with support from CDI team*

Once the causal mechanism at theoretical level were defined, empirical evidence was collected so as to verify or discard the different parts of this theoretical model of change, confirm or reject whether subcomponents have taken place, and to find evidence that confirm or reject the causal relations between the subcomponents.

A key question that we needed to ask ourselves was, "What information do we need in order to confirm or reject that one subcomponent leads to another, that X causes Y?". The evaluation team needed to agree on what information was needed that provides empirical manifestations for each part of the model of change.

There are four distinguishable types of evidence that are relevant in process tracing analysis: *pattern, sequence, trace, and account*. Please see the box below for descriptions of these types of evidence.

The evaluation team needed to agree on the types of evidence that was needed to verify or discard the manifestation of a particular part of the causal mechanism. Each one or a combination of these different types of evidence could be used to confirm or reject the different parts of the model of change. This is what is meant by robustness of evidence gathering. Since causality as a concept can bend in many ways, our methodology, provides a near scientific model for accepting and rejecting a particular type of evidence, ignoring its face value.

## Types of evidence to be used in process tracing

**Pattern evidence** relates to predictions of statistical patterns in the evidence. For example, in testing a mechanism of racial discrimination in a case dealing with employment, statistical patterns of employment would be relevant for testing this part of the mechanism.

**Sequence evidence** deals with the temporal and spatial chronology of events predicted by a hypothesised causal mechanism. For example, a test of the hypothesis could involve expectations of the timing of events where we might predict that if the hypothesis is valid, we should see that the event B took place after event A took place. However, if we found that event B took place before event A took place, the test would suggest that our confidence in the validity of this part of the mechanism should be reduced (disconfirmation/ falsification).

**Trace evidence** is evidence whose mere existence provides proof that a part of a hypothesised mechanism exists. For example, the existence of the minutes of a meeting, if authentic ones, provide strong proof that the meeting took place.

**Account evidence** deals with the content of empirical material, such as meeting minutes that detail what was discussed or an oral account of what took place in the meeting.

*Source:* Beach and Pedersen, 2013

Below you can find a table that provides guidelines on what to look for when identifying types of evidence that can confirm or reject causal relationships between different parts/ subcomponents of the model of change. It also provides one example of a part of a causal pathway and what type of information to look for.

**Table 9**

*Format for identifying types of evidence for different causal relationships in the model of change (example included)*

Part of the model of change	Key questions	Type of evidence needed	Source of information
Describe relationship between the subcomponents of the model of change	Describe questions you would like to answer so as to find out whether the components in the relationship took place, when they took place, who was involved, and whether they are related	Describe the information that we need in order to answer these questions. Which type of evidence can we use in order to reject or confirm that subcomponent X causes subcomponent Y? Can we find this information by means of : Pattern evidence; Sequence evidence; Trace evidence; Account evidence?	Describe where you can find this information
Example: Training workshops on M&E provided by MFS II funding and other sources of funding	Example: What type of training workshops on M&E took place? Who was trained? When did the training take place? Who funded the training? Was the funding of training provided before the training took place? How much money was available for the training?	Example: Trace evidence: on types of training delivered, who was trained, when the training took place, budget for the training  Sequence evidence on timing of funding and timing of training  Content evidence: what the training was about	Example: Training report SPO Progress reports interviews with the CFA and SPO staff Financial reports SPO and CFA

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Please note that for practical reasons, the 5C evaluation team decided that it was easier to integrate the specific questions in the narrative of the initial causal map. These questions would need to be addressed by the in country team during the process tracing workshop so as to discover, verify or discard particular causal mechanisms in the detailed, initial causal map. Different types of evidence was asked for in these questions.

*Step 6. **Collect data** to verify or discard causal mechanisms and develop workshop-based, detailed causal map – in-country team*

Once it was decided by the in-country and CDI evaluation teams what information was to be collected during the interaction with the SPO, data collection took place. The initial causal maps served as a basis for discussions during the endline workshop with a particular focus on process tracing for the identified organisational capacity changes. But it was considered to be very important to understand from the perspective of the SPO how they understood the identified key organisational capacity change/outcome area has come about. A new detailed, workshop-based causal map was developed that included the information provided by SPO staff as well as based on initial document review as described in the initial detailed causal map. This information was further analysed and verified with other relevant information so as to develop a final causal map, which is described in the next step.

*Step 7. **Assess the quality** of data and **analyse data**, and develop the **final detailed causal map** (model of change) – in-country team and CDI team*

Quality assurance of the data collected and the evidence it provides for rejecting or confirming parts of causal explanations are a major concern for many authors specialised in contribution analysis and process-tracing. Stern et al. (2012), Beach and Pedersen (2013), Lemire, Nielsen and Dybdal (2012), Mayne (2012) and Delahais and Toulemonde (2012) all emphasise the need to make attribution/contribution claims that are based on pieces of evidence that are rigorous, traceable, and credible. These pieces of evidence should be as explicit as possible in proving that *subcomponent X causes subcomponent Y* and ruling out other explanations. Several tools are proposed to check the nature and the quality of data needed. One option is, Delahais and Toulemonde's Evidence Analysis Database, which we have adapted for our purpose.

Delahais and Toulemonde (2012) propose an Evidence Analysis Database that takes into consideration three criteria:

Confirming/ rejecting a causal relation (yes/no);

Type of causal mechanism: intended contribution/ other contribution/ condition leading to intended contribution/ intended condition to other contribution/ feedback loop;

Strength of evidence: strong/ rather strong/ rather weak/ weak.

We have adapted their criteria to our purpose. The in-country team, in collaboration with the CDI team, used the criteria in assessing whether causal relationships in the causal map, were strong enough. This has been more of an iterative process trying to find additional evidence for the established relationships through additional document review or contacting the CFA and SPO as well as getting their feedback on the final detailed causal map that was established. Whilst the form below has not been used exactly in the manner depicted, it has been used indirectly when trying to validate the information in the detailed causal map. After that, the final detailed causal map is established both as a visual as well as a narrative, with related references for the established causal relations.

<i>Example format for the adapted evidence analysis database (example included)</i> Description of causal relation	Confirming/ rejecting a causal relation (yes/no)	Type of information providing the background to the confirmation or rejection of the causal relation	Strength of evidence: strong/ rather strong/ rather weak/ weak	Explanation for why the evidence is (rather) strong or (rather) weak, and therefore the causal relation is confirmed/ rejected
e.g. Training staff in M&E leads to enhanced M&E knowledge, skills and practice	e.g. Confirmed	e.g. Training reports confirmed that staff are trained in M&E and that knowledge and skills increased as a result of the training		

**Step 8. Analyse and conclude on findings– in-country team and CDI team**

The final detailed causal map was described as a visual and narrative and this was then analysed in terms of the evaluation question two and evaluation question four: "To what degree are the changes identified in partner capacity attributable to development interventions undertaken by the MFS II consortia (i.e. measuring effectiveness)?" and "What factors explain the findings drawn from the questions above?" It was analysed to what extent the identified key organisational capacity change can be attributed to MFS II supported capacity development interventions as well as to other related factors, interventions and actors.

## 4. Explaining factors – evaluation question 4

This paragraph describes the data collection and analysis methodology for answering the fourth evaluation question: **"What factors explain the findings drawn from the questions above?"**

In order to explain the changes in organisational capacity development between baseline and endline (evaluation question 1) the CDI and in-country evaluation teams needed to review the indicators and how they have changed between baseline and endline and what reasons have been provided for this. This has been explained in the first section of this appendix. It has been difficult to find detailed explanations for changes in each of the separate 5c indicators, but the 'general causal map' has provided some ideas about some of the key underlying factors actors and interventions that influence the key organisational capacity changes, as perceived by the SPO staff.

For those SPOs that are selected for process tracing (evaluation question 2), more in-depth information was procured for the identified key organisational capacity changes and how MFS II supported capacity development interventions as well as other actors, factors and interventions have influenced these changes. This is integrated in the process of process tracing as described in the section above.

## 5. Methodological reflection

Below a few methodological reflections are made by the 5C evaluation team.

**Use of the 5 core capabilities framework and qualitative approach:** this has proven to a be very useful framework to assess organisational capacity. The five core capabilities provide a comprehensive picture of the capacity of an organisation. The capabilities are interlinked, which was also reflected in



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the description of standard indicators, that have been developed for the purpose of this 5C evaluation and agreed upon for the eight countries. Using this framework with a mainly qualitative approach has provided rich information for the SPOs and CFAs, and many have indicated this was a useful learning exercise.

**Using standard indicators and scores:** using standard indicators is useful for comparison purposes. However, the information provided per indicator is very specific to the SPO and therefore makes comparison difficult. Whilst the description of indicators has been useful for the SPO and CFA, it is questionable to what extent indicators can be compared across SPOs since they need to be seen in context, for them to make meaning. In relation to this, one can say that scores that are provided for the indicators, are only relative and cannot show the richness of information as provided in the indicator description. Furthermore, it must be noted that organisations are continuously changing and scores are just a snapshot in time. There cannot be perfect score for this. In hindsight, having rubrics would have been more useful than scores.

**General causal map:** whilst this general causal map, which is based on key organisational capacity changes and related causes, as perceived by the SPO staff present at the endline workshop, has not been validated with other sources of information except SPO feedback, the 5C evaluation team considers this information important, since it provides the SPO story about how and which changes in the organisation since the baseline, are perceived as being important, and how these changes have come about. This will provide information additional to the information that has been validated when analysing and describing the indicators as well as the information provided through process tracing (selected SPOs). This has proven to be a learning experience for many SPOs.

**Using process tracing for dealing with the attribution question:** this theory-based and mainly qualitative approach has been chosen to deal with the attribution question, on how the organisational capacity changes in the organisations have come about and what the relationship is with MFS II supported capacity development interventions and other factors. This has proven to be a very useful process, that provided a lot of very rich information. Many SPOs and CFAs have already indicated that they appreciated the richness of information which provided a story about how identified organisational capacity changes have come about. Whilst this process was intensive for SPOs during the process tracing workshops, many appreciated this to be a learning process that provided useful information on how the organisation can further develop itself. For the evaluation team, this has also been an intensive and time-consuming process, but since it provided rich information in a learning process, the effort was worth it, if SPOs and CFAs find this process and findings useful.

A few remarks need to be made:

- Outcome explaining process tracing is used for this purpose, but has been adapted to the situation since the issues being looked at were very complex in nature.
- Difficulty of verifying each and every single change and causal relationship:
- Intensity of the process and problems with recall: often the process tracing workshop was done straight after the general endline workshop that has been done for all the SPOs. In some cases, the process tracing endline workshop has been done at a different point in time, which was better for staff involved in this process, since process tracing asks people to think back about changes and how these changes have come about. The word difficulties with recalling some of these changes and how they have come about. See also the next paragraph.
- Difficulty of assessing changes in knowledge and behaviour: training questionnaire is have been developed, based on Kirkpatrick's model and were specifically tailored to identify not only the interest but also the change in knowledge and skills, behaviour as well as organisational changes as a result of a particular training. The retention ability of individuals, irrespective of their position in the organisation, is often unstable. The 5C evaluation team experienced that it was difficult for people to recall specific trainings, and what they learned from those trainings. Often a change in knowledge, skills and behaviour is a result brought about by a combination of different factors, rather than being traceable to one particular event. The detailed causal maps that have been established, also clearly pointed this. There are many factors at play that make people change their behaviour, and this is not just dependent on training but also internal/personal (motivational) factors as well as factors within the organisation, that stimulate or hinder a person to change behaviour. Understanding how behaviour change works is important when trying to really understand the extent to which behaviour has changed as a

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result of different factors, actors and interventions. Organisations change because people change and therefore understanding when and how these individuals change behaviour is crucial. Also attrition and change in key organisational positions can contribute considerably to the outcome.

### **Utilisation of the evaluation**

The 5C evaluation team considers it important to also discuss issues around utility of this evaluation. We want to mention just a few.

Design – mainly externally driven and with a focus on accountability and standard indicators and approaches within a limited time frame, and limited budget: this MFS II evaluation is originally based on a design that has been decided by IOB (the independent evaluation office of the Dutch Ministry of Foreign Affairs) and to some extent MFS II organisations. The evaluators have had no influence on the overall design and sampling for the 5C study. In terms of learning, one may question whether the most useful cases have been selected in this sampling process. The focus was very much on a rigorous evaluation carried out by an independent evaluation team. Indicators had to be streamlined across countries. The 5C team was requested to collaborate with the other 5C country teams (Bangladesh, Congo, Pakistan, Uganda) to streamline the methodological approach across the eight sampled countries. Whilst this may have its purpose in terms of synthesising results, the 5C evaluation team has also experienced the difficulty of tailoring the approach to the specific SPOs. The overall evaluation has been mainly accountability driven and was less focused on enhancing learning for improvement. Furthermore, the timeframe has been very small to compare baseline information (2012) with endline information (2014). Changes in organisational capacity may take a long, particularly if they are related to behaviour change. Furthermore, there has been limited budget to carry out the 5C evaluation. For all the four countries (Ethiopia, India, Indonesia, Liberia) that the Centre for Development Innovation, Wageningen University and Research centre has been involved in, the budget has been overspent.

However, the 5C evaluation team has designed an endline process whereby engagement of staff, e.g. in a workshop process was considered important, not only due to the need to collect data, but also to generate learning in the organisation. Furthermore, having general causal maps and detailed causal maps generated by process tracing have provided rich information that many SPOs and CFAs have already appreciated as useful in terms of the findings as well as a learning process.

Another issue that must be mentioned is that additional requests have been added to the country teams during the process of implementation: developing a country based synthesis; questions on design, implementation, and reaching objectives of MFS II funded capacity development interventions, whilst these questions were not in line with the core evaluation questions for the 5C evaluation.

Complexity and inadequate coordination and communication: many actors, both in the Netherlands, as well as in the eight selected countries, have been involved in this evaluation and their roles and responsibilities, were often unclear. For example, 19 MFS II consortia, the internal reference group, the Ministry of Foreign Affairs, Partos, the Joint Evaluation Trust, NWO-Wotro, the evaluators (Netherlands and in-country), 2 external advisory committees, and the steering committee. Not to mention the SPO's and their related partners and consultants. CDI was involved in 4 countries with a total number of 38 SPOs and related CFAs. This complexity influenced communication and coordination, as well as the extent to which learning could take place. Furthermore, there was a distance between the evaluators and the CFAs, since the approach had to be synchronised across countries, and had to adhere to strict guidelines, which were mainly externally formulated and could not be negotiated or discussed for the purpose of tailoring and learning. Feedback on the final results and report had to be provided mainly in written form. In order to enhance utilisation, a final workshop at the SPO to discuss the findings and think through the use with more people than probably the one who reads the report, would have more impact on organisational learning and development. Furthermore, feedback with the CFAs has also not been institutionalised in the evaluation process in the form of learning events. And as mentioned above, the complexity of the evaluation with many actors involved did not enhance learning and thus utilization.

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5C Endline process, and in particular thoroughness of process tracing often appreciated as learning process: The SPO perspective has also brought to light a new experience and technique of self-assessment and self-corrective measures for managers. Most SPOs whether part of process tracing or not, deeply appreciated the thoroughness of the methodology and its ability to capture details with robust connectivity. This is a matter of satisfaction and learning for both evaluators and SPOs. Having a process whereby SPO staff were very much engaged in the process of self-assessment and reflection has proven for many to be a learning experience for many, and therefore have enhanced utility of the 5C evaluation.

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## Appendix 2 Background information on the five core capabilities framework

The 5 capabilities (5C) framework was to be used as a framework for the evaluation of capacity development of Southern Partner Organisations (SPOs) of the MFS II consortia. The 5C framework is based on a five-year research program on 'Capacity, change and performance' that was carried out by the European Centre for Development Policy Management (ECDPM). The research included an extensive review of the literature and sixteen case studies. The 5C framework has also been applied in an IOB evaluation using 26 case studies in 14 countries, and in the baseline carried out per organisation by the MFS II organisations for the purpose of the monitoring protocol.

The 5C framework is structured to understand and analyse (changes in) the capacity of an organization to deliver (social) value to its constituents. This introduction briefly describes the 5C framework, mainly based on the most recent document on the 5C framework (Keijzer et al., 2011).

The 5C framework sees capacity as an **outcome** of an **open system**. An organisation or collaborative association (for instance a network) is seen as a system interacting with wider society. The most critical practical issue is to ensure that relevant stakeholders share a common way of thinking about capacity and its core constituents or capabilities. Decisive for an organisation's capacity is the context in which the organisation operates. This means that **understanding context issues** is crucial. The use of the 5C framework requires a multi-stakeholder approach because shared values and results orientation are important to facilitate the capacity development process. The 5C framework therefore needs to **accommodate the different visions** of stakeholders and conceive different strategies for raising capacity and improving performance in a given situation.

The 5C framework defines capacity as '**producing social value**' and identifies five core capabilities that together result in that overall capacity. Capacity, capabilities and competences are seen as follows:

**Capacity** is referred to as the overall ability of an organisation or system to create value for others;

**Capabilities** are the collective ability of a group or a system to do something either inside or outside the system. The collective ability involved may be technical, logistical, managerial or generative (i.e. the ability to earn legitimacy, to adapt, to create meaning, etc.);

**Competencies** are the energies, skills and abilities of individuals.

Fundamental to developing capacity are inputs such as human, material and financial resources, technology, and information. To the degree that they are developed and successfully integrated, capabilities contribute to the overall capacity or ability of an organisation or system to create value for others. A single capability is not sufficient to create capacity. All are needed and are strongly interrelated and overlapping. Thus, to achieve its development goals, the 5C framework says that every organisation or system must have **five basic capabilities**:

- The capability to act and commit;
- The capability to deliver on development objectives;
- The capability to adapt and self-renew;
- The capability to relate (to external stakeholders);
- The capability to achieve coherence.

In order to have a common framework for evaluation, the five capabilities have been reformulated in outcome domains and for each outcome domain performance indicators have been developed.

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There is some overlap between the five core capabilities but together the five capabilities result in a certain level of capacity. Influencing one capability may have an effect on one or more of the other capabilities. In each situation, the level of any of the five capabilities will vary. Each capability can become stronger or weaker over time.

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## Appendix 3 Changes in organisational capacity of the SPO - 5C indicators

Below you will find a description for each of the indicators under each of the capabilities, what the situation is as assessed during the endline, how this has changed since the baseline workshop in August 2012 and the interview with the Director at the head office in Guwahati in June 2013 and what are the reasons for change. Unless explicitly stated that a change happened since the interview with the director in June 2013, the changes took place since the baseline workshop in August 2012.

### **Capability to act and commit**

#### **Level of effective leadership**

1.1. Responsive leadership: 'Leadership is responsive, inspiring, and sensitive'

*This is about leadership within the organisation (operational, strategic). If there is a larger body then you may also want to refer to leadership at a higher level but not located at the local organisation.*

The leadership at the head office continues to be open to ideas and suggestions and has a decentralised approach with each implementing regional unit. This creates a platform for the regional units to grow, strengthen themselves and work towards being self-sustainable. The Regional unit is autonomous to the extent of raising resources and completely designing the operations of its projects but all project contracts have to be approved and signed by the RGVN Director, head office and the funds are also channelled through them. The leadership at RGVN Bhubaneswar is however, very committed, competent, experienced, responsive and proactive in taking decisions. This is evident from the initiatives taken by the leader after the micro-finance crisis in 2009 and floods in 2011 and cyclone Phailin in 2013. The leader responded by shifting the focus from micro-finance to sustainable livelihood enhancement of the target group. Further, in response to the executive board of RGVN deciding to restrict external borrowings from banks and other financial institutions, the leader along with the management decided to initiate external resource mobilization, develop linkages with government programs and schemes, linkages with market, network with NGOs and public sector units and improve capacity of the staff to provide sustainable livelihood security to the target group. Though there is hierarchy in the organization the leader at the Bhubaneswar office gives considerable autonomy to the staff to contribute in the organizational strategy, decision making, operation, capacity development etc., which further enhanced the capacity of the staff for self-sustainability.

Score baseline: 4.0

Score endline: 4.0 (no change)

1.2. Strategic guidance: 'Leaders provide appropriate strategic guidance (strategic leader and operational leader)'

*This is about the extent to which the leader(s) provide strategic directions*

The leadership in Bhubaneswar continues to give strategic guidance. The strategic plan of 2011-2012 on strengthening micro-finance institutions could not be implemented because of the micro-finance crisis in 2009, flood and cyclone Phailin in 2011 and 2013. The management initiated to shift from micro-finance to sustainable livelihood enhancement of the target group. This decision was taken during the baseline but the strategy was still in an inception stage. In the post baseline period the executive board of RGVN decided to restrict external borrowings from Banks and other financial institutions anticipating the inability of the partner organisation to repay their loans. Thus, the

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management made a strategic change to initiate external resource mobilization and develop linkages with government programs and schemes, linkages with market, network with NGOs and public sector units and improve capacity of the staff for better sustainability of the programme. During the baseline there was a call for leadership to stay abreast with the latest developments and encourage innovative ideas in strategy making. This is now taking place as management has made the strategic change based on developments in their operating environment.

After the baseline workshop in August 2012, RGVN has set up a Project Finance Committee comprising the executive director, assistant director, and programme staff. This has contributed to improved strategic guidance. This is a body created to expedite the decision making process, monitor progress, and respond to proposals for funding. The executive board continues to review the operations of each regional office separately in its periodic meetings and extends strategic direction as and when required. Thus, though the regional units are given autonomy to implement the project, mobilise funds, write proposals, approach donors etc., this autonomy is restricted as the final approval comes from the executive director.

Score baseline: 3.5

Score endline: 4.0 (slight improvement)

### 1.3. Staff turnover: 'Staff turnover is relatively low'

*This is about staff turnover.*

Over the last two years there has been no change in this indicator. Staff turnover continues to be low at the regional unit Bhubaneswar. The organisation provides an environment in which the staff members are trusted and delegated authority and responsibilities commensurate to their abilities. There has been no new recruitment during the last two years, as the organisation has not grown. They have not been able to procure any new projects and the Hivos fund for the Sustainable Livelihood Enhancement and Enterprise Promotion (SLEEP) project till 2015 is not enough to hire new project staff. The low staff turnover has the positive effect that staff has learnt a lot through experience and is applying this in their daily work.

Score baseline: 4.0

Score endline: 4.0 (no change)

## **Level of realistic strategic planning**

### 1.4. Organisational structure: 'Existence of clear organisational structure reflecting the objectives of the organisation'

*Observable indicator: Staff have copy of org structure and understand this*

The organisational structure at the headquarters in Guwahati and the regional office in Bhubaneswar continue to be the same, but new board members have replaced the earlier ones. RGVN has set up the Project Finance Committee which is comprised of the executive director, assistant director, and programme staff. This is a body created to expedite the decision making process, monitor progress, and respond to proposals for funding. With the change in the strategy RGVN stopped working with old NGO partners on micro-finance and aligned with eight new partners to work on enhancing sustainable livelihoods. Out of these eight, four partners are in Orissa and the other four are in Andhra Pradesh. RGVN has an established effective structure at the regional and head office which ensures a sound decision making process and a transparent financial and programme management system. In the SLEEP project they are making some changes in the decision making process, staff structure and financial and programme management system at the Partner NGO level for better realization of the overall objectives of the project. While the livelihood coordinator now heads the project and takes all the operational decisions, the chief functionary of each partner organisation would do lead head the project and make operational decisions. Furthermore, the decision making process has to be participatory with involvement of the beneficiaries, the facilitating staff members and the chief functionary of each facilitating NGOs.

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RGVN continues to work in 14 states of India. The executive director heads the organisation and is based in Guwahati while the four regional offices at Guwahati, Patna, Bhubaneswar and Raipur are headed by Regional Coordinators. The organisation has a well-developed staff structure with separate departments for accounts, personnel and operations. RGVN has a team of 313 (259 on contract basis) staff drawn from the fields of management, social sciences, social work, agriculture, veterinary science and engineers. Hivos supports RGVN for its work in Odisha State. The Odisha team that works from the Bhubaneswar office is comprised of 5 key personnel of whom 2 are women and they manage the day to day operations.

Score baseline: 4.0

Score endline: 4.0 (no change)

1.5. Articulated strategies: 'Strategies are articulated and based on good situation analysis and adequate M&E'

*Observable indicator: strategies are well articulated. Situation analysis and monitoring and evaluation are used to inform strategies.*

Over the period RGVN has devised certain strategies for the sustainability of the organisation moving from microfinance into sustainable livelihood enhancement. The strategies continue to be well defined and based on a proper contextual analysis and monitoring which staff now understand better. Sustainable livelihood enhancement is done by focusing on the core livelihood sub sectors like Non Timber Forest Produce (NTFP), agriculture and allied agriculture on System of Rice Intensification (SRI) technology, dairy, organic paddy cultivation, organic vegetable farming, handicraft, etc. For better achievement of the outcomes RGVN mobilized and strengthened women producers, artisans, and forest dwellers in its operational areas. The strategies that RGVN is following in the SLEEP project are:

- A three phase model of graduating women in producers groups to producer federations to producer cooperatives through using the entrepreneurship development concept.
- Use of locally adopted, resource saving, knowledge-centric, farmer-led and environment-friendly technologies.
- Coordinated action by communities and community based institutions such as the women self-help groups, cooperatives, farmer groups and local NGOs.
- Inculcating community mobilization skills among women in agriculture, NTFP and bell metal thereby demonstrating and articulating the benefits of the sustainable livelihood methods to them.
- Enhancing the skill base of the women in these livelihood activities to enable them to pursue their livelihoods on a sustainable basis.
- Partnering with local resource agencies for effective deliverance and desired output.

All these strategies are articulated in a participatory manner, making use of good situation analysis, bottom-up planning and RGVN's longstanding experience of mobilising and strengthening women produces, artisans, and forest dwellers in its operational areas.

Score baseline: 3.5

Score endline: 3.5 (no change)

### **Level of translation of strategy into operations**

1.6. Daily operations: 'Day-to-day operations are in line with strategic plans'

*This is about the extent to which day-to-day operations are aligned with strategic plans.*

With the change in the strategic plan and changing environment the day-to-day operational plans have been revised. The organisation continues to maintain a bottom up approach in strategic planning. Plans are normally followed except sometimes due to unavoidable circumstances. The Project Finance Committee was established to speed up the decision making process. Fortnightly review meetings are conducted to monitor day-to-day operation and gather informal feedback for smooth execution of the plan. This has streamlined the operationalization of the strategic plan of the organization. Focused half yearly, quarterly, monthly and fortnightly monitoring and review meetings continue to be in place to discuss the progress in the programmes.



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Score baseline: 4.0

Score endline: 4.25 (very slight improvement)

### **Level of staff capacity and motivation**

1.7. Staff skills: 'Staff have necessary skills to do their work'

*This is about whether staff have the skills necessary to do their work and what skills they might they need.*

Over the period RGVN staff has gained skills and knowledge on certain areas that were recommended during the baseline, such as, sectorial understanding in agriculture, communication and their reports now read well. Furthermore, skills and knowledge of staff have been increased on business development, producer entrepreneurship, organic farming, market linkages, value chain and organisational development, vermin compost production, conducting training of trainers, training their partner organisations, to initiate dialogue with government line department for support and convergence. Increased skills and knowledge have been primarily due to capacity building trainings supported by Hivos and other donors like the Small Industrial Development Bank of India. The low attrition rate has also helped staff to acquire considerable field experience while working in a compact unit working on a plethora of activities. Skills on fundraising, M&E, MIS and financial management have not yet been addressed through trainings. Due to limited staff strength in the regional office of Bhubaneswar the staff has to multi-task and takes up additional responsibilities. The executive director feels that despite repeated suggestions the staff at the Bhubaneswar office has not been unable to put a proposal together for submission to a donor.

Score baseline: 3.0

Score endline: 3.25 (very slight improvement)

1.8. Training opportunities: 'Appropriate training opportunities are offered to staff'

*This is about whether staff at the SPO are offered appropriate training opportunities*

Over the period the staff participated in ample training programmes and exposure visits supported both by Hivos (MFS II) and others. The following training and exposure visits were offered to staff in the last years:

- Exposure visit to SAMBANDH supported by Sir Dorabji Tata Trust in 2013.
- Exposure visit to Badamba, Raipur, Parbatipuram and Agriculture university farm, Hyderabad supported by Hivos in 2013.
- Training on Portfolio Audit 2012.
- Vermicomposting pit development training by Sri Damodar Tata Trust, Mumbai in 2013.
- Training on Leadership, financial management and group dynamics in July 2013, Jamunali supported by Hivos.
- Training on Organic farming process in October 2013 at Rambhadrapuram supported by Hivos.
- Training on enterprise promotion and business development in 2013 and August 2014 in Bhubaneswar supported by Hivos.
- Exposure visit to Construction Skills Training Institute, Kolkatta in the year 2014.
- Leadership training by Grameen India Foundation, funded by SIDBI in 2014.
- Workshop on Producer Entrepreneurship Catalyst and Incubation Facility (ProCIF) organised by Vrutti Livelihoods sponsored by Hivos 22-23 May 2014 at Bangalore to help the staff graduate poor producer organisations into self-reliant enterprises. This resulted in the staff to improve capacity in training the partners on enterprise management skill and techniques of enterprise promotion activity to supplement the objective of scale up, profitability and market linkages. They could better plan for community level enterprise promotion and prepared a road map for the registration of the cluster with suitable legal identity.

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Staff now seems to have more access to trainings on new trends and strategies as the above trainings fit well with RGVN's new strategy to focus on sustainable livelihood enhancement. This has improved since the baseline.

Score baseline: 3.0

Score endline: 3.5 (slight improvement)

#### 1.9.1. Incentives: 'Appropriate incentives are in place to sustain staff motivation'

*This is about what makes people want to work here. Incentives could be financial, freedom at work, training opportunities, etc.*

Freedom at work, freedom of experimentation with ideas and skill building through various trainings and exposure visits continue to motivate staff at work. Pay and benefits are almost at par in the sector. Benefits like provident fund, leave travel allowance, telephone bills reimbursements and accommodation are made available to staff. The organisation continues to support internal learning and reflection processes as part of its culture of creating informed knowledge base and sharing. The mutual learnings and cross sharing of ideas provide opportunities for staff members to be recognised and given enhanced responsibilities. However, performance linked incentives for staff have been stopped since the baseline workshop in August 2012 because of the executive board's decision to no longer borrow commercial funds and the end of MFS II funding.

Score baseline: 3.5

Score endline: 3.0 (slight deterioration)

### **Level of financial resource security**

#### 1.9.2. Funding sources: 'Funding from multiple sources covering different time periods'

*This is about how diversified the SPOs funding sources are over time, and how the level of funding is changing over time.*

During the baseline in August 2012, RGVN had 11 different funders and was receiving funding in the form of grants and loans. Now the executive board has made the decision to no longer take loans from banks, anticipating the inability of the partner organisation to repay their loans. The formation of Project Finance Committee and Company Social Responsibility (CSR) eligibility certificate from Tata Institute of Social Studies further strengthened the organisation to explore funding opportunities for financial sustainability. In 2013, RGVN received funding from the following foreign donors: Hivos, Indian Network on Ethics and Workshop on Climate Change (funded by EU), Assam Foundation of North America (United States), Concern Universal (CU), Bangladesh – project funded by EU and Oxfam India (received from UK). With the change in strategy from microfinance (after the microfinance crisis) to sustainable livelihood enhancement, RGVN has been able to continue to receive support from Hivos, and in addition has received funding for this topic from Jamsedji Tata Trust, ACC Ltd (formerly The Associated Cement Companies Limited) and Larsen & Toubro. For the SLEEP project, Hivos is the main funder, but RGVN has also contacted several government institutions and other donors like Malviya foundation, OXFAM, National livelihood mission, National Horticulture mission for possible support. There are proposals in the pipeline to get funding from: Invest India Micro Pension Services Private Limited, Vattikuti Foundation, India Foundation for Humanistic Development (IFHD), Bharat Rural Livelihoods Foundation (BRLF) and the Invest India Micro Pension (IIMP). While RGVN is approaching new donors and this looks promising, currently they are receiving funding from around 8 donors which is a smaller set of funders than during the baseline.

Score baseline: 3.0

Score endline: 2.75 (very slight deterioration)

#### 1.9.3. Funding procedures: 'Clear procedures for exploring new funding opportunities'

*This is about whether there are clear procedures for getting new funding and staff are aware of these procedures.*

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RGVN continues to have clear cut funding procedures. RGVN has a national level copy of procedures for exploring new funding opportunities which includes a separate section applicable to RGVN Bhubaneswar. For the sustainability of the programmes the staff has developed new proposals to approach different donors. The organisation has started having better working relations with government agencies, Public Sector Units (PSUs) and to some extent the private sector agencies for mobilizing funds. The new Company Social Responsibility Act opened an opportunity for RGVN to mobilise funds. RGVN became a member of National Company Social Responsibility (CSR) Hub Empanelment team of Tata Institute of Social Science. This is a network working to provide CPSEs (Central Public Sector Enterprises) with a list of reliable and credible organisations as partners for CSR activities.<sup>9</sup> This Company Social Responsibility (CSR) eligibility certificate from Tata Institute of Social Studies further strengthened the organisation to explore funding opportunities for financial sustainability.

RGVN has set up a Project Finance Committee comprising the executive director, assistant director, and programme staff. This is a body created to expedite the decision making process, monitor progress, and respond to proposals for funding. Since the baseline interview with the director in 2013, RGVN head office Guwahati has given autonomy to the regional branches to mobilise funds at its own and to choose the projects they work on. However, all the application must go through the executive director. The head office gives strategic support to the regional branches to mobilise funds. Bhubaneswar regional unit started working among rickshaw pullers on financial inclusion. The idea came from the executive director and was to create better livelihood opportunities for the rickshaw pullers and enhance the visibility of RGVN to attract new funders.

The change in strategy from microfinance to sustainable livelihood enhancement has widened their scope to approach new donors. For example, they are receiving support from ACC (formerly The Associated Cement Companies Limited) and Larsen & Toubro (L&T) to work the youth skill development and placement programme which is part of the Phailin cyclone rehabilitation programme. This programme was initiated by RGVN. RGVN identifies and motivates semi-skilled youths/workers to receive training facilitated by L&T. This resulted in better networking and visibility of the organisation to leverage more funds. There are proposals in the pipeline to get funding from: Invest India Micro Pension Services Private Limited, Vattikuti Foundation, India Foundation for Humanistic Development (IFHD), Bharat Rural Livelihoods Foundation (BRLF) and the Indian Institute of Planning and Management (IIMP).

Score baseline: 4.0

Score endline: 4.25 (very slight improvement)

#### Summary of capability to act and commit

The leadership at the head office continues to be open to ideas and suggestions and has a decentralised approach with each implementing regional unit. The Regional unit in Bhubaneswar is autonomous and responsible for its fundraising, but contracts have to be approved and signed by the RGVN executive director. The executive director feels that despite repeated suggestions the leader at the Bhubaneswar office has not submitted any funding proposals to the head office. The leadership at RGVN Bhubaneswar is however, very committed, competent, experienced, responsive and proactive in taking decisions. The leadership in Bhubaneswar continues to give strategic guidance. While the 2011-2012 strategic plans could not be implemented mainly due to the micro-finance crisis, and a flood and cyclone followed, the management made the strategic decision to shift from micro-finance to sustainable livelihood enhancement. Also external resource mobilisation began to play an important role as the head office decided to no longer allow external borrowings from banks. RGVN's new Project Finance Committee plays an important role in monitoring progress and responding to proposals for funding. Leadership is now staying more abreast with the latest developments and encourages

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<sup>9</sup> The new CSR Bill which got approved by the Parliament (and effective from April 2014), with a very strong CSR Clause, mandates companies with an average profit of INR 50 million in the last three years, to proactively design and undertake welfare and other developmental activities. The corporate sector would be required to spend 2 % of their net profit for social development actions.

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innovative ideas in strategy making. Staff turnover continues to be low at the regional unit Bhubaneswar and staff has become experienced in their work. There has been no new recruitment at the Bhubaneswar office during the last two years, as the organisation has not been able to procure any new projects. The Sustainable Livelihood Enhancement and Enterprise Promotion (SLEEP) project till 2015, funded by Hivos does not have enough funds to attract extra manpower. The organisational structure at the headquarters in Guwahati and the regional office in Bhubaneswar continued to be the same, but new board members have replaced the earlier ones. RGVN continues to work in 14 states of India. The executive director heads the organisation and is based in Guwahati while the four regional offices at Guwahati, Patna, Bhubaneswar and Raipur are headed by Regional Coordinators. Hivos continues to support RGVN for its work in Odisha, for which the team works from Bhubaneswar. RGVN's strategies continue to be well defined and based on good situation analysis and its experience in working in its operational areas. The overall strategy from RGVN has moved from microfinance to sustainable livelihood enhancement. In the related project SLEEP, RGVN articulates its strategies based on their longstanding experience of mobilising and strengthening women producers, artisans, and forest dwellers. With the change in the strategic plan and changing environment the day-to-day operational plans have been revised. Fortnightly review meetings are now conducted to monitor day-to-day operation; this has streamlined the operationalization of the strategic plan of the organization. Over the period RGVN staff has gained skills and knowledge on certain areas that were recommended during the baseline and more due to trainings supported by Hivos and other donors like the Small Industrial Development Bank of India and through staff's considerable field experience. However, due to limited staff strength in the regional office of Bhubaneswar the staff has to multi-task and takes up additional responsibilities. Over the MFS II period the staff participated in ample training programmes and exposure visits supported both by Hivos (MFS II) and others. Staff now seems to have more access to trainings on new trends and strategies as the above trainings fit well with RGVN's new strategy to focus on sustainable livelihood enhancement. Freedom at work, freedom of experimentation with ideas and skill building through various trainings and exposure visits continue to motivate staff at work. However, performance linked incentives have stopped in after the baseline in August 2012 because of the executive board's decision to no longer borrow commercial funds and the end of MFS II funding. During the baseline, RGVN had 11 different funders and was receiving funding in the form of grants and loans, while RGVN is approaching new donors related to livelihoods and with its CSR eligibility certificate, currently they are receiving funding from a smaller set of funders than during the baseline. RGVN continues to have clear cut funding procedures RGVN has a national level copy of procedures for exploring new funding opportunities which includes a separate section applicable to RGVN Bhubaneswar. RGVN head office Guwahati has given autonomy to the regional branches to mobilise funds at its own and to choose the projects they work on.

Score baseline: 3.6

Score endline: 3.7 (no change)

## **Capability to adapt and self-renew**

### **Level of effective application of M&E**

2.1.M&E application: 'M&E is effectively applied to assess activities, outputs and outcomes'

*This is about what the monitoring and evaluation of the SPO looks at, what type of information they get at and at what level (individual, project, organisational).*

The shift in the focus from microfinance to sustainable livelihood and demand from the donor for focused and structured reporting led the organisation to fine-tune and modify monitoring formats and indicators to collect focussed data from the field. RGVN continues to get both qualitative and quantitative information from its M&E system. During monthly and half yearly meetings staff continues to share their field visit experiences. A new initiative is the fortnightly meetings. The management has initiated fortnightly (informal) review meetings to review and analyse the day to day operation and the data. It is indicated in the annual plan for the SLEEP project for 2014-15 that the objectives, indicators, achievements, output and target are well defined to have better evaluation and monitoring of the programmes. Fine-tuned MIS formats and modified MIS indicators made data collection from

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the field more focused. RGVN followed the reporting guidelines of Hivos which resulted not only in better reporting but also triggered RGVN to have a close look at the achievements. As per the contract a bi-lingual process manual was developed for Orissa and Andhra Pradesh to review the progress of all the clusters on a quarterly basis for better programme management. Computerized accounting by using the latest technology was initiated. This has further strengthened the M&E system, but an overall comprehensive M&E system for the organisation is missing. However, there continues to be a need for RGVN to link outputs to higher level outcomes.

Score baseline: 4.0

Score endline: 4.25 ( very slight improvement)

2.2.M&E competencies: 'Individual competencies for performing M&E functions are in place'

*This is about whether the SPO has a trained M&E person; whether other staff have basic understanding of M&E; and whether they know what information to collect, how to process the information, how to make use of the information so as to improve activities etc.*

There has been no change in this indicator. RGVN still does not have a dedicated person that works on M&E. Staff members have a good understanding of M&E. At the Bhubaneswar office, most staff has worked there for a long time and has over the years been trained in using log frames and results based analysis. Continuous feedback from Hivos also has helped them improve their knowledge on monitoring the progress of the SLEEP programme. As a result there is focused data collection and structured reporting. However, there continues to be a need to setup a proper monitoring system by establishing a separate monitoring department and hiring a dedicated person for M&E. RGVN has indicated that they will hire an M&E expert as soon as they have the funds available for this.

Score baseline: 2.5

Score endline: 2.5

### **Level of strategic use of M&E**

2.3.M&E for future strategies: 'M&E is effectively applied to assess the effects of delivered products and services (outcomes) for future strategies'

*This is about what type of information is used by the SPO to make decisions; whether the information comes from the monitoring and evaluation; and whether M&E info influences strategic planning.*

In the fortnightly meetings, day to day planned operations are monitored and reviewed, and gaps better identified. Inputs from these frequent meetings are used in the half yearly meetings in which the strategic plan of the organization is discussed. RGVN continue to receive feedback from the donor which further helps in planning. It is evident from the annual plan 2014-15 that after proper monitoring and review the organisation has proposed some changes in strategy for programme management, financial management and decision making process. However, information on the link between outputs and higher level outcomes are still missing, so these are not guiding the strategic decisions for the future.

Score baseline: 3.0

Score endline: 3.0 (no change)

### **Level of openness to strategic learning**

2.4.Critical reflection: 'Management stimulates frequent critical reflection meetings that also deal with learning from mistakes'

*This is about whether staff talk formally about what is happening in their programs; and, if so, how regular these meetings are; and whether staff are comfortable raising issues that are problematic.*

There has been a slight improvement in this indicator. During the endline evaluation workshop it was shared to the evaluation team that while monthly, quarterly and annual meetings continued to take

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place, now fortnightly review meetings were introduced by management. These fortnightly meetings form a new platform/initiative for the staff to reflect upon the progress of the project, discuss on the plan and other issues with the assistant director. Management has also become more responsive. This streamlined the critical reflection process and resulted in better identification of gaps and appropriate actions taken to address it. Because of a small compact unit of staff at the Bhubaneswar office the meetings are carried out in an informal way and without any prior notice.

Score baseline: 3.0

Score endline: 3.25 (very slight improvement)

2.5. Freedom for ideas: 'Staff feel free to come up with ideas for implementation of objectives

*This is about whether staff feel that ideas they bring for implementation of the program are welcomed and used.*

There has been no change in this indicator. The organisation continues to follow a bottom up approach and practices flexibility in strategic planning. The assistant director gives considerable autonomy to the staff to come up with ideas. There has been no new recruitment at the Bhubaneswar office and most of the staff has been in the organisation for a fairly long period. Though there is hierarchy in the organisation the staff is allowed to take their own decisions and contribute in the strategy in coherence with the overall mandate of the organisation.

Score baseline: 4.0

Score endline: 4.0 (no change)

### **Level of context awareness**

2.6. System for tracking environment: 'The organisation has a system for being in touch with general trends and developments in its operating environment'

*This is about whether the SPO knows what is happening in its environment and whether it will affect the organization.*

There has been no change in this indicator. The organisation continues to follow the existing system for tracking the issues that may affect the functioning of the organisation. For instance, it continues to work with its implementing NGO partners which helps to have better understanding of the contextual issues at the field level. The head quarter at Guwahati also shares information with the regional offices during board meetings and Project Finance Committee meetings. The board members are widely experienced and guide the staff in adverse situations. Internet, newspapers, government policies, media and other stakeholders are also used as a source for information on the external environment. RGVN is still part of a large network. Since the baseline they became a member of the National Corporate Social Responsibility Hub Empanelment team (NCSRHET) of Tata Institute of Social Science. This is a network working to provide CPSEs (Central Public Sector Enterprises) with a list of reliable and credible organisations as partners for CSR activities. This ensures that the organisation keeps a track on the latest developments in its operating environment in terms of opportunities related to the CSR Bill. As RGVN has shifted its focus from microfinance to sustainable livelihoods, they now also track developments in agriculture. In light of large scale government promotional activities for organic cultivation RGVN has planned for 2014-15 to create conducive environment for the farming community to shift from non-organic cultivation process to organic based cultivation. This further ensures that it keeps a track on the latest developments. While, staff RGVN stays informed about their operating environment, there still seems to be no formal mechanism to track the environment.

Score baseline: 3.0

Score endline: 3.0 (no change)

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2.7. Stakeholder responsiveness: 'The organisation is open and responsive to their stakeholders and the general public'

*This is about what mechanisms the SPO has to get input from its stakeholders, and what they do with that input.*

There has been no change in this indicator. The organisation continues to be open to take inputs from different stakeholders and is sensitive to their needs. For example, RGVN has developed its M&E indicators and formats in the SLEEP project in consultation with the facilitating NGO partners for effective implementation and reporting of the project activities. RGVN also continues to involve its partner organisations during the planning phase. At the regional level the draft planning is prepared and this is sent to the head office for review and approval by the Governing Board. Regular visits to and communication with the partners maintain an open level of interaction. RGVN maintains transparency in operation and financial matters. There is a periodic sharing of accounts and operational information to all stakeholders and general public. Periodic review of financial and operational system is done and shared with all stakeholders.

Score baseline: 4.0

Score endline: 4.0 (no change)

#### Summary of capability to adapt and self-renew

The shift in the focus from microfinance to sustainable livelihood and demand from the donor for focused and structured reporting led the organisation to fine-tune and modify monitoring formats and indicators to collect focussed data from the field. Computerized accounting by using the latest technology was initiated, which further strengthened the M&E system. However, there continues to be a need for RGVN to link outputs to higher level outcomes. RGVN still does not have a dedicated person that works on M&E. At the Bhubaneswar office, most staff has worked there for a long time and has over the years been trained in using log frames and results based analysis. RGVN has indicated that they will hire an M&E expert as soon as they have the funds available for this. RGVN continues to get both qualitative and quantitative information from its M&E system; staff still shares their field visit experience in monthly and half yearly meetings and now also during fortnightly meetings. It is evident from the annual plan 2014-15 that after proper monitoring and review the organisation has proposed some changes in strategy for programme management, financial management and decision making process. Management has also become more responsive and the fortnightly review meetings have streamlined the critical reflection process and resulted in better identification of gaps and appropriate actions taken to address it. The assistant director gives considerable autonomy to the staff to come up with ideas. Though there is hierarchy in the organisation the staff is allowed to take their own decisions and contribute in the strategy in coherence with the overall mandate of the organisation. RGVN continues to work with its implementing NGO partners which helps to have a better understanding of the contextual issues at the field level. RGVN is still part of a large network. As RGVN has shifted its focus from microfinance to sustainable livelihoods, they now also track developments in agriculture. While, staff RGVN stays informed about their operating environment, there still seems to be no formal mechanism to track the environment. The organisation continues to be open to take inputs from different stakeholders, especially their partner organisations, and uses their inputs in developing its M&E indicators and formats in the SLEEP project. Periodic review of financial and operational system is done and shared with all stakeholders.

Score baseline: 3.4

Score endline: 3.4 (no change)

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## **Capability to deliver on development objectives**

### **Extent to which organisation delivers on planned products and services**

3.1. Clear operational plans: 'Organisation has clear operational plans for carrying out projects which all staff fully understand'

*This is about whether each project has an operational work plan and budget, and whether staff use it in their day-to-day operations.*

There has been no change in this indicator. RGVN continues to have day-to-day operational plans and budget for each project which the staff fully understands and which are in line with the strategic plan. Since the baseline workshop in August 2012, with the shift in the strategy from microfinance to the sustainable livelihood enhancement programme there is a modification in the strategic and operational plans. Annual strategic and operational plans are prepared with clear indication of activities, output and results. Bi-monthly operational work plan also prepared which is in line with the annual plan. Attention has been given for quality enhancement and strict adherence to budget in daily operations.

Score baseline: 4.0

Score endline: 4.0 (no change)

3.2. Cost-effective resource use: 'Operations are based on cost-effective use of its resources'

*This is about whether the SPO has the resources to do the work, and whether resources are used cost-effectively.*

There has been no change in this indicator. The restriction of the executive board in borrowing external funds, the ending of the microfinance project and the phasing out of MFS II funding, further made RGVN cost conscious in its resource use. RGVN continues to be cost-effective in resource use by planning the day-to-day operations in line with the annual budget and giving attention to strict adherence to the budget. As RGVN's two main projects work in the same geographical areas this facilitates and saves costs when giving capacity building trainings, organising review meetings and going on monitoring visits.

Score baseline: 4.0

Score endline: 4.0 (no change)

3.3. Delivering planned outputs: 'Extent to which planned outputs are delivered'

*This is about whether the SPO is able to carry out the operational plans.*

With the microfinance crisis and RGVN board's decision to stop taking loans from the bank, the project of 2011-12 'Graduating NGOs in to MF Institutions in the state of Odisha' could not be delivered as planned. However, the operational plan of the new Hivos funded program 'SLEEP' has been carried out successfully so far. It is evident from the 2012-13 and 2013-14 annual reports and the donor assessment of the annual report that the outputs are being delivered as planned. For example the 2013-14 annual report indicates 100% achievement in mobilizing women farmers/Forest dwellers/DWCRA<sup>10</sup> artisans to form producer groups: there is an improvement from 1700 in 2012-13 to 3650 in 2013-14 against the targeted 3650. The new initiative of fortnightly review meetings along with the existing half yearly and annual review meetings further contributed in effective delivery of the planned outputs.

Score baseline: 4.0

Score endline: 4.0 (no change)

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<sup>10</sup> The Development of women and children in Rural Areas or DWCRA is a government sponsored anti-poverty programme of the Ministry of Rural Development.



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**Extent to which delivered products and services are relevant for target population in terms of the effect they have**

3.4.Mechanisms for beneficiary needs: 'The organisation has mechanisms in place to verify that services meet beneficiary needs'

*This is about how the SPO knows that their services are meeting beneficiary needs*

This indicator has not changed since the baseline. RGVN continues to verify whether services meet beneficiary needs through its monitoring system. Over the period the report format for quarterly review has been fine-tuned. RGVN staff is now included in the cluster level quarterly review meetings which were earlier done by only the NGO partners. This further facilitated to know whether services meet beneficiary needs. The workshops organised by RGVN for SHG leaders and krusak melas (farmer festivals) also facilitated informal discussion with the target groups to know the outcome of the projects. The process to know whether service meet beneficiaries needs improved as the MIS indicators and format was fine-tuned to get proper data from the field. Also fortnightly meetings streamlined the process.

Score baseline: 4.0

Score endline: 4.0 (no change)

**Level of work efficiency**

3.5.Monitoring efficiency: 'The organisation monitors its efficiency by linking outputs and related inputs (input-output ratio's)'

*This is about how the SPO knows they are efficient or not in their work.*

There is no formal mechanism to calculate input and output ratio. However, through the fortnightly, monthly and quarterly review of the projects the efficiency is measured which is linked to the deliverables. The donor feedback on the annual reports of RGVN and the assessment of planned targets and its achievements also contribute in monitoring efficiency of the organisation. There is an internal audit and the external audit by RGVN head office to ensure transparency and accountability in utilisation of funds. More detailed report writing, more interaction at field during training programs and frequent feedback from partners streamlined the monitoring efficiency system.

Score baseline: 3.0

Score endline: 3.0 (no change)

3.6.Balancing quality-efficiency: 'The organisation aims at balancing efficiency requirements with the quality of its work'

*This is about how the SPO ensures quality work with the resources available*

The small team of experienced staff at the Bhubaneswar office continues to ensure team work and good results. The staff could better implement the project as there is an operational plan and improved MIS format to monitor the project's quality and efficiency. The staff has been there for a long time and is well-experienced, which contributes in balancing efficiency with the quality of work. Better planning, use of technology in the accounting system, fortnightly review meetings, and the formation of the Project Finance Committee improved the quality and efficiency of work. Appropriate trainings are given to the partners and beneficiaries to deliver quality work.

Score baseline: 3.0

Score endline: 3.25 (very slight improvement)

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### Summary of capability to deliver on development objectives

RGVN continues to have day-to-day operational plans and budget for each projects which the staff fully understands and which are in line with the new strategic plan on sustainable livelihood enhancement programme. The restriction of the executive board in borrowing external funds, the ending of the microfinance project and the phasing out of MFS II funding, further made RGVN cost conscious in its resource use. Geographical overlap in RGVN's two main projects saves costs when visiting the target groups. With the microfinance crisis and RGVN board's decision to stop taking loans from the bank, the project of 2011-12 'Graduating NGOs in to MF Institutions in the state of Odisha' could not be delivered as planned. However, the operational plan of the new Hivos funded program 'SLEEP' has been carried out successfully so far. The new initiative of fortnightly review further contributed in effective delivery of the planned outputs. RGVN continues to verify whether services meet beneficiary needs through its monitoring system. There is still no formal mechanism to calculate input and output ratio. More detailed report writing, fortnightly meetings, and more interaction at field during training programs and frequent feedback from partners streamlined the monitoring efficiency system. The small team of experienced staff at the Bhubaneswar office continues to ensure team work and good results. Better planning, use of technology in the accounting system, fortnightly review meetings, and the formation of the Project Finance Committee improved the quality and efficiency of work.

Score baseline: 3.7

Score endline: 3.7 (no change)

### **Capability to relate**

#### **Level of involving external parties in internal policy/strategy development**

4.1. Stakeholder engagement in policies and strategies: 'The organisation maintains relations/ collaboration/alliances with its stakeholders for the benefit of the organisation'

*This is about whether the SPO engages external groups in developing their policies and strategies, and how.*

There has been no change in this indicator. RGVN continues to engage its stakeholders for the benefit of its operations, plans and outcomes. They are proactive in analysing trends jointly with other stakeholders. RGVN Governing board takes all policy and governance related decisions on a quarterly and annual basis. The organization has strengthened its relationship with the government which was weak during baseline. However, the relationship is only to the point of linking up government schemes and programmes to the target groups but not at the level of involving them in policy or strategy making.

Score baseline: 3.0

Score endline: 3.0 (no change)

#### **Level of engagement of organisation in networks, alliances and collaborative efforts**

4.2. Engagement in networks: 'Extent to which the organization has relationships with existing networks/alliances/partnerships'

*This is about what networks/alliances/partnerships the SPO engages with and why; with they are local or international; and what they do together, and how do they do it.*

In RGVN's new programmes they continue to work with NGO partners to implement its programmes. Over the period with the shift in the strategic plan the organisation has established relationships with eight new NGO partners, out of whom four are in Orissa and the other four are in Andhra Pradesh. The new Company Social Responsibility (CSR) Act facilitated the organisation to establish corporate partnership with ACC Limited (formerly The Associated Cement Companies Limited) and Larsen & Toubro (L&T) for training and employment of semi-skilled workers from the under privileged segment.

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RGVN became a member of National CSR Hub Empanelment team of Tata Institute of Social Science. This is a network working to provide CPSEs (Central Public Sector Enterprises) with a list of reliable and credible organisations as partners for CSR activities. A few new networks have been established since the baseline workshop in August 2012: Invest India Micro Pension, VattiKutti Foundation, Jindal Association. In the last months RGVN established better linkages with government departments through linking and converging with government programs and schemes. Also there was trust built with the government by implementing the rehabilitation program for the Phailin and flood victims.

Score baseline: 4.0

Score endline: 4.25 (very slight improvement)

### **Extent to which organisation is actively engaging with target groups**

4.3.Engagement with target groups: 'The organisation performs frequent visits to their target groups/beneficiaries in their living environment'

*This is about how and when the SPO meets with target groups.*

There has been no change in this indicator. The organisation continues to engage actively with the target groups. The downward communication generally happens through developing and strengthening other partner organisations to reach out effectively to the primary stakeholders. RGVN organizes various periodic workshops, exposure visits, krusak melas (farmer festivals) which facilitates engagement with the target groups.

Score baseline: 3.0

Score endline: 3.0 (no change)

### **Level of effective relationships within the organisation**

4.4.Relationships within organisation: 'Organisational structure and culture facilitates open internal contacts, communication, and decision-making'

*How do staff at the SPO communicate internally? Are people free to talk to whomever they need to talk to? When and at what forum? What are the internal mechanisms for sharing information and building relationships?*

The assistant director at the Bhubaneswar office being democratic in her approach gives considerable autonomy to her staff in terms taking decisions for their respective projects. The small team in Bhubaneswar has been working together for a long period. This has facilitated better communication both at the professional and personal front. In general there continues to be open communication in the organisation. RGVN teams have internal team meetings, and the senior management team meets every three months. Formal meetings are mostly through monthly meetings, quarterly review, training and workshops, strategic planning exercises, retreats etc. The evaluation team observed that the relationship between RGVN Bhubaneswar and RGVN head office Guwahati is getting unpleasant as they compete with each other for the same projects.

Score baseline: 3.5

Score endline: 3.25 (very slight deterioration)

### **Summary of capability to relate**

RGVN continues to engage its stakeholders for the benefit of its operations, plans and outcomes. The organization has strengthened its relationship with the government; however, the relationship is only to link up government schemes to the target groups and not at the level of involving them in policy or strategy making. RGVN continues to work with NGO partners to implement its programmes. The new Company Social Responsibility (CSR) Act facilitated the organisation to establish corporate partnerships. A few other new networks have been established since the baseline workshop in August 2012. And RGVN established better linkages with government departments through linking their target group to government schemes and because of built up trust by implementing the rehabilitation

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program for the Phailin and flood victims. The organisation continues to engage actively with the target groups.

RGVN organizes various periodic workshops, exposure visits, krusak melas (farmer festivals) which facilitates engagement with the target groups. The assistant director at the Bhubaneswar office being democratic in her approach gives considerable autonomy to her staff in terms taking decisions for their respective projects. The evaluation team observed that the relationship between RGVN Bhubaneswar and RGVN head office Guwahati is getting unpleasant as they compete with each other for the same projects.

Score baseline: 3.4

Score endline: 3.4 (no change)

### **Capability to achieve coherence**

#### **Existence of mechanisms for coherence**

5.1.Revisiting vision, mission: 'Vision, mission and strategies regularly discussed in the organisation'

*This is about whether there is a vision, mission and strategies; how often staff discuss/revise vision, mission and strategies; and who is involved in this.*

The organisation continues to revisit vision and mission of the organisation every 5 years. Due to the microfinance crisis, a change in the donor's priority, the floods and Phailin cyclone, the organisation has made a strategic shift from microfinance to community based micro-enterprise development leading to sustainable livelihood enhancement. The strategic shift is in alignment with the vision (a world where the poor and underprivileged can live with dignity and prosperity) and mission (to improve the quality of life of the urban and rural poor and underprivileged through microfinance and social action) of the organization.

Score baseline: 4.0

Score endline: 4.25 (very slight improvement)

5.2.Operational guidelines: 'Operational guidelines (technical, admin, HRM) are in place and used and supported by the management'

*This is about whether there are operational guidelines, which operational guidelines exist; and how they are used.*

There is no change in this indicator. The organisation continues to have operational guidelines like a HR policy which is part of the Administrative Manual of which a hard copy exists. The performance appraisal system is still part of the HR policy. There are also operational manuals. Separate books of account and ledger are maintained and a separate audit reports are prepared as per the funder's requirement.

Score baseline: 3.0

Score endline: 3.0 (no change)

#### **Level of coherence of various efforts of organisation**

5.3.Alignment with vision, mission: 'Projects, strategies and associated operations are in line with the vision and mission of the organisation'

*This is about whether the operations and strategies are line with the vision/mission of the SPO.*

RGVN's projects, strategies and operations continue to be in line with their vision and mission. The new Sustainable Livelihood Enhancement and Enterprise Promotion project aims at empowerment of women in agriculture, NTFP and handicraft by making systematic interventions to enhance their participation and productivity. The aim is gradually graduate individuals (women) from SHGs to producer federations to producer companies through entrepreneurship development for sustainable

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livelihoods. It works in the four Tribal dominated pockets of Southern Odisha, Central Odisha, where predominantly tribal, unprivileged, poor people live. This is very much in line with RGVN's vision to improve the quality of life of the rural and urban underprivileged poor through social action.

Score baseline: 4.0

Score endline: 4.0 (no change)

5.4. Mutually supportive efforts: 'The portfolio of project (activities) provides opportunities for mutually supportive efforts'

*This is about whether the efforts in one project complement/support efforts in other projects.*

There has been no change in this indicator. RGVN's projects continue to be mutually supportive. The Jivika rehabilitation of flood victims in Puri & Nayagarh districts of Odisha project was outlined based on the experiences gained during RGVN's survey and relief distribution programme in 2011 with support from Jamsedji Tata Trust, Mumbai (JTT). The project promotes sustainable rural livelihoods in sub sectors like goatery, bamboo work, vermicomposting, organic farming and cycle rickshaw/trolley at the house hold level. This project aims at empowering women among the marginalized poor people of this area. The SLEEP project and Jivika project both aim at promoting sustainable livelihood promotion among the women, work in the same geographical areas and focus on the same core livelihood sub sectors. This facilitates mutually supportive efforts in organizing capacity building trainings, review meetings and monitoring visits.

Score baseline: 3.0

Score endline: 3.0 (no change)

#### Summary of capability to achieve coherence

The organisation continues to revisit vision and mission of the organisation every 5 years. Due to the microfinance crisis, a change in the donor's priority, the floods and Phailin cyclone, the organisation has made a strategic shift from microfinance to community based micro-enterprise development leading to sustainable livelihood enhancement. The strategic shift is still in alignment with the unchanged vision and mission of the organization. The organisation continues to have operational guidelines like a HR policy which is part of the Administrative Manual of which a hard copy exists. RGVN's projects, strategies and operations continue to be in line with their vision and mission. The new SLEEP project's strategies are very much in line with RGVN's vision to improve the quality of life of the rural and urban underprivileged poor through social action. RGVN's projects continue to be mutually supportive. The SLEEP project and Jivika project both aim at promoting sustainable livelihood promotion among the women, work in the same geographical areas and focus on the same core livelihood sub sectors.

Score baseline: 3.5

Score endline: 3.6 (no change)

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## Appendix 4 Results - key changes in organisational capacity - general causal map

Below you will find a description of the general causal map that has been developed for the SPO during the endline workshop. Key changes in organisational capacity since the baseline as identified by the SPO during this endline workshop, are described as well as the expected effects and underlying causal factors, actors and events.

The evaluation team carried out an endline assessment at RGVN from 19 to 20 August 2014. During this workshop, the team made a recap of key features of the organisation since the baseline workshop in August 2012 and the interview with the Director at the head office in the North-East in June 2013 (such as vision, mission, strategies, clients, partnerships). This was the basis for discussing changes that had happened to the organisation since the baseline. The two main changes that happened in the organisation since the baseline, as identified by the staff during self -assessments, interviews and during the workshop were:

- Improved capacity of the staff to train partners on technology and other issues [2]
- Improved relationships with networks [3]

The two main organisational capacity changes are described in the light orange boxes and some of their key consequences are noted above these cards in dark orange. Unless explicitly stated that a change happened since the interview with the Director in June 2013, the changes took place since the baseline workshop in August 2012. Light purple boxes represent factors and aspects that influence the key organisational capacity changes (in light orange). Key underlying factors that have impacted the organisation are listed at the bottom in dark purple. The narrative describes per organisational capacity change, the contributing factors as described from the top down. The numbers in the visual correspond with the numbers in the narrative.



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## **Improved capacity of the staff to train partners on technology and other issues [2]**

After the Micro Finance crisis in 2009 the organization went through a rough patch and the 2011 flood and cyclone Phailin [Source: Flood & Phailin details] in the organisation's partner areas further worsened the condition. The partners' ability to recover loans meted out and pay back RGVN was questionable in the face of such large scale disaster. The organization was not able to recuperate fully till the baseline conducted in 2012. During this time the focus had already shifted from micro finance to sustainable livelihood enhancement of the target group. The main source of income of the target population is agriculture and allied activities. However, the strategy was still in an embryonic stage.

RGVN is committed to the sustainable livelihood enhancement of rural poor in accordance with its vision and mission. Lack of technical knowledge on agriculture, marketing, value addition, lack of irrigation facilities, and exploitation by middlemen, periodic natural disasters and lack of financial inclusion affected the target groups' livelihood security. Since the baseline, the organization has undertaken steps to improve the basic skill sets and marketing linkages of the target groups by improving the capacity of the RGVN staff in these directions. [Source: ARR+WP 12-13-14]. The improved capacity of RGVN staff to train partners on technology and other issues, which has had a trickledown effect on the capacity of RGVN's partners and the target group in coping mechanisms. As a result of RGVN's improved capacity to organize and give trainings to partners, several capacity building trainings on value addition, market linkages, organic farming, vermicomposting production were organized by RGVN staff [6] as per the contract with Hivos for the new project 'Sustainable Livelihood Enhancement and Entrepreneur Promotion' (SLEEP) [Source: Signed contract-hard copy]. This project replaced the previous one on microfinance after the microfinance crisis. These trainings include:

- *Two days training on 'Group Dynamics, Conflict Resolution, Leadership and Financial Management'* was organized by RGVN at Jamunali on 19-20 July 2013 for the SHG leaders. They were trained on allied agricultural development, group dynamics, market linkages, and basics of financial viability of an association [Source: Sample Field trg. Minutes].
  - *Two days training on 'Vermicomposting production'* was organized by RGVN at Pratappur on 9-10 August 2013 funded by Hivos. The objective of the training was to develop the skill and knowledge of the farmers on Vermicomposting production, its impact on land, its marketability and household level labour saving aspect [Source: Sample Vermi Trg.Minutes].
  - *One day Krusak Mela (farmers' get-together)* was organized by RGVN at Kanasa in March 2013. The objective was to orient the farmers on organic farming, market linkages, preparing indigenous cold storage and show casing best practices and practitioners [Source: Krusak Mela].
  - *One day training program on "Enterprise Promotion and Business Development Plan"* was organized by RGVN on 14-15 May 2014 at Vizagapatam, AP. This enhanced the knowledge of the partners in business development, market linkages, value chain, banking practices, financial inclusion etc. Resource person Mr. I.B Raju, Assistant Professor, GIM, GITAM University, Visakhapatnam was invited to facilitate the training [Source: Sample Central Training Minutes].
- Staff's capacity to train partners [2] improved because of the field experience that staff got [7] and because of RGVN staff attending various trainings and exposure visits [5]. Both are further explained below.

### **Field experience of staff [7]**

Capacity of the staff to train partners on technology and other issues also improved because some RGVN staff has been there for a long time working in a small compact unit, doing a variety of activities they also have learnt from field experience [Source: ARR+WP 12-13-14, ARR+Work Plan 2013-14-15, 5c endline self-assessment sheet\_ management \_India\_ RGVN]. This was because of a low attrition rate at the Bhubaneswar office [8]. This is where the team works that is supported by Hivos to work on the SLEEP project.

### **Trainings and exposure visits of RGVN staff [5]**

Increased capacity of the RGVN staff [2] was furthermore due to various capacity building trainings and exposure visits [5] supported by Hivos and other donors. These trainings include:

- Two-day training was organized by Vrutti Livelihoods, Bangalore on 22-23 May 2014 sponsored by Hivos on producer entrepreneurship catalyst and incubation facility. The focus of the training was to help the staff to assist unviable producer organisations into self-reliant enterprises [Source: 5c endline self-assessment sheet\_management\_India\_RGVN, Workshop on Producer



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- Entrepreneurship Catalyst and Incubation Facility May 2014]. Funded by MFS II [28]. The training was attended by assistant director of RGVN, Bhubaneswar Region.
  - Two- day training was organised with the support of Hivos (MFS II) on 18-19 August 2014 at Bhubaneswar on enterprise promotion and business development. The programme coordinators of RGVN participated in this [Source: 5c endline self-assessment sheet\_programme staff\_India\_RGVN]. Funded by MFS II [28]. The programme coordinators of RGVN participated in the training programme.
  - Training programme on vermicomposting pit by Sir Dorabji Tata Trust (SDTT), Mumbai in 2013 [Source: 5c endline self-assessment sheet\_programme staff\_India\_RGVN]. Funded by SDTT [29]. The training was attended by 3 project staff and programme coordinator of RGVN, Bhubaneswar.
  - Leadership training was organized by Small Industrial Development Bank of India (SIDBI) in 2014 [Source: 5c endline self-assessment sheet\_programme staff\_India\_RGVN]. Funded by SIDBI [29]. The Programme Coordinator of RGVN, Bhubaneswar attended the training.

The organization also arranged a number of exposure visits for the staff during the last two years to help them learn about vermicomposting, bio-pesticides, governance, value chain analysis and organic farming [Source: 5c endline self-assessment sheet\_management\_India\_RGVN]:

- Exposure visit to Badamba, Raipur, Parbatipuram and Agriculture university farm, Hyderabad, supported by Hivos enabled the staff to have practical knowledge and skills which was passed on to the partner organisations later. These visits also enabled the staff to network with likeminded organisations [Source: 5c endline self-assessment sheet\_management\_India\_RGVN]. Funded by MFS II [28].
- Visit to SAMBANDH supported by Sir Dorabji Tata Trust. Sambandh is a Microfinance institution, which also trains organisations to graduate to producer companies [Source: 5c endline self-assessment sheet\_management\_India\_RGVN]. Funded by SDTT [29].

Staff was sent to trainings and exposure visits [5] since they realised there is a gap in terms of knowledge and skills [9] and also because of the change in the strategic plan [17], as working topics like strengthening livelihoods in the SLEEP project required further training to gain knowledge and skills on this. The identification of gaps in knowledge and skills [9] was done during fortnightly meetings [10] where a strategy for diversification of resource mobilisation was being discussed. It was also the result of having strengthened monitoring and evaluation [11] [Source: 5c endline self-assessment sheet\_management\_India\_RGVN]. These are further explained below.

- *Focused fortnightly meetings [10]*

The fortnightly meeting was a new initiative taken by the management in order to streamline the reporting and monitoring structure. Here day-to-day planned operations were monitored and reviewed, gaps in knowledge and skills were better identified which streamlined the strategic plan of the organization for smooth functioning of projects and planning of trainings and exposure visits [Source: ARR + Work Plan 2013-14-15, 5c endline self-assessment sheet\_management\_India\_RGVN].

- *Strengthened monitoring and evaluation [11]*

There was change in the strategic plan to shift to sustainable livelihood enhancement, demand from the donor to have detailed and focused data collection, commitment of the organization to fulfil the needs of the target group and increasing focus of donors on evidence based grant making and value for money analysis pushed the organisation to strengthen their monitoring and evaluation. As a result they refined the monitoring and evaluation formats and indicators. Now the data collection is both qualitative and quantitative, whereas during the baseline it was only quantitative [Source: Endline evaluation workshop, 5c endline self-assessment sheet\_management\_India\_RGVN, 1004806\_RGVN\_Assessment of 2014 Annual Review Report]

Focused fortnightly meetings [10] were taken up by the management and monitoring and evaluation was strengthened [11] to streamline the monitoring and evaluation structures and processes because of the donors requirements [27].

### **Improved relationships with networks [3]**

There have been a couple of issues that have greatly affected RGVN and the need to look for additional funding by strengthening their networks. After the microfinance crisis in 2009 [21] the organization went through a rough patch as floods in 2011 and 2014 [23] and the cyclone Phailin in 2013 [24] in the organisation's partner areas further worsened the situation [Source: Flood & Phailin details]. The partners' ability to recover loans meted out and pay back to RGVN was questionable in the face of such large scale disaster. The organization was not able to recuperate fully from the

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Microfinance crisis in 2009 and the floods in 2011 till the baseline workshop conducted in August 2012. During this time the focus had already shifted from microfinance to sustainable livelihood enhancement of the target group. However, the strategy was still in an embryonic stage [Source: RGVN Baseline report]. In the post baseline period, the executive board of RGVN decided to restrict external borrowings from banks and other financial institutions anticipating the inability of the partner organisations to repay RGVN. This initiated the RGVN management to think in the direction of external resource mobilization, develop linkages with government programs and schemes, linkages with market and improve capacity of the staff to implement sustainable livelihood programmes to the target group [Source: 5c endline self-assessment sheet\_management\_India\_RGVN, ARR+WP 12-13-14, RGVN-Annual-Report-2012-13-Final-Draft].

The precarious funding situation, compelled the management to think of converging and linking with government programmes, the market, Public Sector Units (PSUs) and the private sector to enhance the livelihood security of the target groups [3][Source: Endline evaluation workshop, 5c endline self-assessment sheet\_management\_India\_RGVN, Flood & Phailin details]. Improved relationships with networks [3] is expected to lead to more funding opportunities for RGVN [1]. Improved relationships with networks [3] was because of improved linkages with the government [12], improved linkages with the market [13] and networking with PSUs and the private sector [4]. Each of these linkages are further explained below.

#### Linkages with the government [12]

During the baseline workshop (August 2012) there was a need for RGVN to develop a relationship with government institutions and maintain a strategic relationship, so that they could better translate their commitments to the target groups. The organization's initiative to rehabilitate the Flood (August 2014) and Phailin (October 2013) affected people and the capacity to implement sustainable livelihood programs, facilitated the organization to develop a trust relationship with the government in the last one and half years (2013-14). Since 2013, RGVN staff has better linkages with government line departments at local level, state level officials and other semi-governmental organisations and corporations which run delivery programmes for the poor [Source: 5c endline self-assessment sheet\_management\_India\_RGVN, Flood & Phailin details, <http://www.slideshare.net/RanjanPraharaaj/phailin-response-by-uaa-in-ganjam-district-of-odisha>]. This is evident from the fact that the organization could linkup government schemes and programs to the target groups (farmers in Odisha). With the support of RGVN the target groups could access the inputs provided by the government in the form of a vermicomposting pit. Nearly 25 vermicomposting pits have been constructed by the State Agriculture Department of Odisha in one of the vegetable growing clusters in the Anugul district. In another vegetable growing cluster area in Dhenkanal the farmers have been helped in getting support from the State Agriculture Department of Odisha for Shade Net Nursery. Also NTFP collectors and traders have been able to receive 5 tamarind cake making machines with support from the Tribal Development Corporation. All these have been facilitated by RGVN and its partners [Source: ARR + Work Plan 2013-14-15]. Some of the plans are in the pipeline. For example, RGVN has approached the state and national horticulture board, state agricultural technology institutes, the forest department, the state handicraft development board and the state Khadi and Village Industry board to link with them through different schemes. Banks and financial institutions (FIs) have been approached for providing working capital support for product enhancement at a low interest rate [Source: ARR + Work Plan 2013-14-15]. Given that some of the board members are heads of FIs, it should not be an uphill task, yet while RGVN Guwahati gets its share, RGVN Bhubaneswar is left out. RGVN strengthening its linkages with the government is thus; because of the new programmes [14] they have been and will be involved in with government agencies, (more on new programmes later on) and trainings [30] on Right to Information (RTI), Right to Education (RTE), Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) [Source: Endline evaluation workshop, 5c endline self-assessment sheet\_management\_India\_RGVN, Flood & Phailin details].

#### Linkages with the market [13]

Due to lack of knowledge and skills on value addition, marketing, variable market condition, exploitative middlemen, and other factors the target groups often find it difficult to get out of the poverty trap. RGVN is committed to align its work with its vision and mission to enhance the livelihood of the target groups. In order to do so they provide them with handholding support in areas like value addition and creating direct linkages with the market. To be able to provide this support RGVN has trained itself after the baseline workshop in August 2012 on these topics [5]. For example, in terms of value addition: Value addition is a process in which the farmers are given handholding support to give due care during processing, preservation and sorting and grading in NTFP and vegetable product which have a positive impact on the pricing and marketing of the products. During last two years (August 2012-2014) RGVN staff provided trainings and handholding support to the target groups on

value addition, marketing, etc. They also facilitated access to fair & remunerative markets including linking producer groups to marketing opportunities by market aggregators [Source: Endline evaluation workshop, ARR+WP 12-13-14]. An example of value addition activities was tamarind collection and marketing. With the technical support provided by RGVN now the farmers have better capacity in processing, sorting, packaging and grading for proper pricing of the product and to maintain quality aspect with the buyers [Source: ARR + Work Plan 2013-14-15, Endline Evaluation Workshop]. During the last two years (August 2012- August 2014) RGVN initiated and funded "Bazaar on Wheels", a new project to strengthen producer organizations and their access to market. The project focuses especially on access to market for the women producer groups. They are provided with capacity building trainings and provision of a van for marketing their products. This is a pilot project carried out by RGVN through Jagruti Mahila Mahasangha at Govindpur of Dhenkanal district. At present the Mahila Mahasangha (Federation) has a membership of 1200 women and diversified its production to non-farm activities. This has enabled wider markets and enhanced profits [Source: RGVN-Annual-Report-2012-13-Final-Draft, 5c endline self-assessment sheet\_programme staff\_India\_RGVN]. Improved linkages with the market [13] for RGVN has thus been a result of the new programmes [14] they have been involved in and the trainings and exposure visits staff went to [5].

Networking with different Public Sector Units (PSUs) and private sector [4]

RGVN Bhubaneswar has started having better working relations with Public Sector Units and to some extent the private sector agencies. The microfinance crisis and the executive board's decision to restrict borrowing commercial funds created financial crunch in the organization. Also, as the implementation focus has been concentrated on production enhancement, marketing linkages, working capital linkages, value addition etc. to move the clusters into the next phase of sustainability of the activities compelled the organization to make strategic change for resource mobilization [Source: Endline evaluation workshop, ARR + Work Plan 2013-14-15, Strategy\_Minutes]. Some of the new networked partners are:

- In the post Phailin (October 2013) period RGVN in association with ACC Limited (formerly The Associated Cement Companies Limited) supports and rehabilitates the Phailin and flood affected people of Odisha. Also in collaboration with Larsen & Toubro (L&T), RGVN has taken up the project in the post Phailin period to provide placement to the semi-skilled Phailin and Flood effected people [Source: Endline evaluation workshop, 5c endline self-assessment sheet\_management\_India\_RGVN].
- Jamsedji Tata Trust: Since 2012 RGVN has developed a network with Jamsedji Tata Trust to promote sustainable livelihood of the poor flood and Phailin effected people [Source: Narrative\_Annual\_report\_of\_Project-\_JIVIKA\_June\_1, 2012-May\_31, 2013, Flood & Phailin details, Endline evaluation workshop].
- With the inception of the new project Sustainable Livelihood Enhancement and Enterprise Promotion (SLEEP) there are eight new partner NGOs with RGVN. This project runs from July 1<sup>st</sup>, 2012 till June 30<sup>th</sup> 2015. Out of these eight, four partners are in Orissa: SHAKTI, Raygada; Viswa Yuva Kendra, Baninali, Angul; Gania Sisu Raija, Gania, Nayagargh Integrated Rural Harijana Adibasi Development Centre, Dhenkanal. The other four partners are in Andhra Pradesh: Chaitanya Bharathi – Vizianagaram, SAMIDA, Yelamanchili, NATURE Araku, and CMS Hyderabad. While this project had started when the baseline workshop was conducted, it was still in its initial stage. In the post baseline workshop period (after August 2012) the project gradually strengthened and implemented [Source: Endline evaluation workshop, ARR + Work Plan 2013-14-15, 5c endline self-assessment sheet\_management\_India\_RGVN, RGVN-Annual-Report-2012-13-Final-Draft, Strategy\_Minutes].

Networking with PSUs and Private sectors [4] improved because of new programmes [14] and CSR eligible certificate from Tata Institute of Social Science (TISS) [16].

*New programmes [4]*

The following are some of the new programmes that were undertaken by RGVN during the last two years (August 2012- August 2014):

- **Placement linked target program** is part of the Phailin rehabilitation program that started after October 2013, which was initiated by RGVN in association with ACC and L&T. RGVN identifies and motivates semi-skilled youths/workers to receive training facilitated by L&T. As of now 81 candidates are sponsored by RGVN. L&T has initiated the Construction Skilled Training Institutes in a joint venture with vocational training institutes across the country to train rural youth. The 8th Construction Skills Training Institute (CSTI) at Gopalpur, Cuttack in the state of Odisha was established in June 2012. The training institute is a joint initiative between the Government of Odisha and L&T. The building and land infrastructure is provided by the State and L&T is the knowledge

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provider and training partner. Subsequent to the training, L&T also facilitates placement of trainees through subcontractors at project sites for the willing candidates [Source: Endline Evaluation Workshop, 5c endline self-assessment sheet\_management\_India\_RGVN, <http://www.Intecc.com/homepage/csti/jointventures.htm>].

- **SLEEP** project facilitated the organization to approach new programs such as, NTFP processing, value addition & marketing, Organic vegetable farming, DWCRA<sup>11</sup> / bell metal work from production to marketing. This project runs from July 1<sup>st</sup>, 2012 till June 30<sup>th</sup> 2015 [Source: ARR + Work Plan 2013-14-15, Micro Plan- Ramanaguda NTFP cluster].
- **The JIVIKA programme** started in June 2012 and was outlined based on the experiences gained during the survey and relief distribution program conducted by RGVN with support from Jamsedji Tata Trust, Mumbai (JTT). The project promotes sustainable rural livelihoods in sub sectors like- Goatery, Bamboo work, vermicomposting, organic farming (vegetable & paddy farming through System of Rice Intensification SRI technology) and cycle rickshaw/trolley at the house hold level. This also includes recognizing and strengthening potential SHGs who would be the vectors for such activities as beneficiaries, verification, and final distribution on the need based report. While this programme started before the baseline workshop in August 2012, it was implemented and strengthened after the baseline workshop [Source: Narrative\_Annual\_report\_of\_Project-\_JIVIKA\_June\_1, 2012-May\_31, 2013, Flood & Phailin details].
- **Working capital support to rickshaw pullers:** Graduating rickshaw pullers to become owner of the rickshaws they use to make a living. RGVN had identified 35 flood victims to become involved in this project. However, with the approved budget for the activity (capital cost) they could manage to extend the number up to 40 cycle rickshaw/trolley to 40 beneficiaries and 5 bi-cycles to 5 women beneficiaries to expedite their mobility in the business of stone carving items, toy business & fast food business. The synthesis of the total attempt was to create adequate livelihood opportunity at the house hold level and ensure food security. The model has been so effective that it has been adopted by Syndicate Bank and Allahabad Bank, two of the leading banking partners with credible presence in the project area. This is evidence of spill over effect of piloting and demonstrating in order to network with PSUs [Source: Endline Evaluation Workshop, RGVN-Annual-Report-2012-13-Final-Draft, Narrative\_Annual\_report\_of\_Project-\_JIVIKA\_June\_1, 2012-May\_31, 2013, Workshop on Rickshaw puller interface, Flood & Phailin details].

There are some proposals which are in the pipeline with VattiKutti Foundation, India Foundation for Humanistic Development (IFHD) Vishakhapatnam Steel Plant, Bharat Rural Livelihoods Foundation (BRLF) and Invest India Micro Pension Services Private Limited (IIMP) [Source: 5c endline self-assessment sheet\_management\_India\_RGVN, 5c endline self-assessment sheet\_programme staff\_India\_RGVN].

RGVN initiated new programmes [14] due to a change in their strategic plan [17], a need for resource mobilization [18] and the formation of a Project Finance Committee (PFC)[19] [Source: Endline evaluation workshop, 5c endline self-assessment sheet\_management\_India\_RGVN, Endline Evaluation Workshop]. These are further explained below.

- Change of strategic plan [17]

There was change of strategic plan to shift from microfinance to Sustainable Livelihood Enhancement and Enterprise Promotion due to the microfinance crisis [21] and consequently the failure of the microfinance project's implementation. The Microfinance crisis, the floods and the Phailin cyclone also caused donors to focus more on sustainable livelihoods [22] and mid-course corrective actions in order to keep the target group support afloat. Apart from changing their funding priorities, donors have also been revising their grant making policies [22]. More and more donors are funding agriculture based programs with a focus on improved livelihoods for the poor. Furthermore, The RGVN board too became cautious about recovery of loans and restricted the RGVN Bhubaneswar office from commercial borrowing [20]. The floods in 2011 and 2014 [23]and the cyclone Phailin in 2013 [24] worsened the situation in the organisation's

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<sup>11</sup> The Development of women and children in Rural Areas or DWCRA is a government sponsored anti-poverty programme of the Ministry of Rural Development.

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partner areas even further, which also triggered the involvement of RGVN in programmes that were more focused on sustainable livelihood enhancement [Source: Flood & Phailin details]. All these factors compelled the organization to change its strategy to sustainable livelihood enhancement by focusing on the core livelihood sub sectors like NTFFP, agriculture and allied agriculture through the System of Rice Intensification (SRI) model, dairy, organic paddy cultivation, organic vegetable farming, handicraft, etc. [Source: Startegy\_Minutes, Organic Agriculture, 5c endline self-assessment sheet\_management\_India\_RGVN, 5c endline self-assessment sheet\_programme staff\_India\_RGVN].

- Need for resource mobilization [18]

With the microfinance crisis the organization was already undergoing a rough patch which further worsened during 2011-12 period. The board's decision to restrict external commercial borrowing of funds [20], the effect of Phailin [24] and dwindling foreign funding [26] worsened the financial situation of RGVN. All these factors compelled the organization to think of diversifying their strategy for resource mobilization [Source: Endline Evaluation Workshop, 5c endline self-assessment sheet\_management\_India\_RGVN].

- Formation of Project Finance Committee (PFC) [19]

RGVN used to work with the LAC (Local Area Committee), which has now been disbanded. To recover from the rough patch it was undergoing (including the floods [23], cyclone [24], microfinance crisis [21] and dwindling foreign funds [26]), internally RGVN has set up a Project Finance Committee comprising the Executive Director, Assistant Director, and programme staff. This is a body created to expedite the decision making process, monitor progress, and respond to proposals for funding [Source: RGVN-Annual-Report-2012-13-Final-Draft, PFC Minute, 5c endline self-assessment sheet\_management\_India\_RGVN].

- CSR<sup>12</sup> eligibility certificate from TISS [16]

RGVN became a team member of the National CSR Hub Empanelment team of TISS. This certification made them eligible for receiving CSR funds for developmental activities. The empanelment process aims to provide CPSEs (Central Public Sector Enterprises) with a list of reliable and credible organisations as partners for CSR activities. The empanelment process is designed to serve the requirements of CPSEs. The National Corporate Social Responsibility (NCSR) Hub shall empanel those organisations that are people-centric, have experience and expertise in a specific field and have a planned approach to developmental activities with a specific focus on the welfare and rights of the vulnerable groups in society. This means all the Public Sector Companies of India may consider RGVN for implementation of big CSR projects [Source: Endline Evaluation Workshop, 5c endline self-assessment sheet\_programme staff\_India\_RGVN, FINAL\_EMPANELMENT TISS]. RGVN getting this certification [16] was triggered by the new CSR Bill [25], which got approved by the Parliament and is effective from April 2014. It has a very strong CSR Clause, which mandates companies with an average profit of INR 50 million in the last three years, to proactively design and undertake welfare and other developmental activities. This is seen as a great opportunity for RGVN as the corporate sector would be required to spend 2 % of their net profit for social development actions.

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<sup>12</sup> The new Companies Act 2014, with a very strong CSR Clause, mandates companies with an average profit of INR 50 million in last three years, to proactively design and undertake welfare and other developmental activities.

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