

Institutional Development

1. Preamble

Towards the end of last century, institutional development (ID) and strengthening, capacity building, organizational restructuring have increasingly become important features, forming an integral part of the development projects in all the sectors. This has happened due to rapid technological advancement and immediate translation of engineering concepts and principles into tangible results in form of infrastructure works globally. All this leads to making the organization competent to adapt with the increased flow of information and execution of works in a more holistic manner, taking cognizance of all the concerned issues relating to multifarious stakeholders, sometimes creating conflict in interests. In a nutshell we are attempting to understand institutional development for good governance and effective working relationships at all levels of different stakeholders' from institutions to communities.

It may also be well understood that there have been valid reasons for emergence of this concept which may be summarized as follows:

- Apprehensions about the sustainability of development projects from social and environmental perspective;
- Thrust in involving the beneficiaries from the conceptualization stages;
- Undue pressure on implementation of technically infeasible projects or the projects without adequate preparatory effort due to vested interests;
- To assimilate rapid changes in Government policies due to increased awareness levels;
- Emphasis on professionalization of the management of development projects;
- For ensuring meaningful co-ordination amongst all line agencies and the stakeholders; and
- Adoption of sector- wise approach by donor agencies rather than project-specific approach, thereby necessitating the monitoring of works and flow of funds in a more robust manner at the centralized level.

2. Understanding Institutional Development

The most commonly cited definition of an 'Institution' is probably the one formulated by Uphoff, who defines an institution as a '*Complexes of norms and behaviours that persist over time by serving collectively valued purposes*'. Institutional Development, in simple terms, may be understood as a *process whereby an organisation, having certain degree of value and stability, is reinforced to effectively generate, allocate and use human, material and financial resources to attain specific objectives on a sustainable basis.*

3. Objectives

Main objectives of institutional development include:

- Enhance organizational and development learning;
- Ensure informed decision-making; and
- Ensure need-based capacity building and skill development.

4. Designing Institutional Development Interventions

The very concept of institutional development is based on the premise that the design interventions shall be able to meet the requirements of diverse stakeholders and target groups, taking into consideration the inherent strength and weakness of the institution, and at the same time creating a

synergy amongst various line agencies with the objective of delivering a complete package of services and products. This shall include the following:

- ***Situational Analysis*** of the existing systems with regard to project objectives;
- ***Needs Assessment*** at the ground level for effectiveness of the project implementation;
- ***Gap Analysis*** for improvement and better involvement of all stakeholders to ensure effectiveness under the project implementation and translation of the benefits to all stakeholders as designed for the project;
- Identification of the ***issues for redressal***;
- Analysis of the ***Suggestions*** from the community for betterment in project implementation (for all stages from policy to implementation and post implementation); and
- ***Recommendations*** for corrective action and improvement as necessary.

5. Monitoring and Evaluation

Monitoring and Evaluation (M&E) plays a central role in ensuring accountability, informed decision-making and, more broadly, facilitating learning. Thus, it is increasingly recognized that an understanding of the context in which the project is implemented or disseminated is important in order to ensure an appropriate environment for successful uptake of the project objectives. It is acknowledged that greater impact from project implies stronger interaction and exchange between the many actors and institutions involved in the development and promotion of innovations that will be adopted through the project.

Organizational or institutional learning is about creating a context in which reflective learning can take place. This will help actors/stakeholders' to question and understand processes, to learn lessons from practice, and to apply what is learned to change behavior and improve performance. It is less about developing methods and procedures, but more about creating a context and environment in which the results of M&E contribute genuinely to reflective learning and critical self-awareness among professionals, leading to action for change.

The present exercise explores the possibilities of how to move towards an organizational learning approach and the kinds of arrangements necessary to support learning and institutional change among groups of stakeholders. This change requires appropriate staff skills and attitudes, as well as a supportive organizational culture with top-level legitimization and permitting experimentation.

6. Process Examination and establishment of Indicators for Institutional Development

Institutional development interventions have to be primarily geared towards various stakeholders and target groups to benefit them in some tangible ways. With this consideration, it is required to develop an understanding of various indicators that may be utilized to measure the processes that exist within the systems amongst the stakeholders' at all levels and further examine the methods to elucidate the gap analysis and needs assessment for effective organizational development and project management.

Indicators generally are signs that show the extent of change that has resulted as an outcome of implementation; they help to measure what actually has happened in terms of quantity, quality and timeliness against what was planned, thus monitoring the progress in achieving desired outputs and outcomes.

Indicators are established at the formulation stage itself by stakeholders and programme managers to help them measure the extent to which the interventions contribute to outputs and outcomes. For this purpose, a Team of Experts is necessary from the very conceptualization stage itself and continuing its operations during implementation stage and post-implementation period also. In this context, the indicators have been designed, picking up from the planning stage of the project cycle to identify appropriate measurable indicators to track the institutional issues and provide feedback in respect of progressive organizational development.

Indicators generally show the relevance, performance and progress of the project. These are elaborated as follows:

a. **Relevance** (*purpose*)

- Is the institution acceptable in the prevailing environment?
- Are the results valid and pertinent to the desired goals?
- Do the results meet the aspirations and the needs of stakeholders?

b. **Performance** (*effectiveness*)

- What progress is being made towards the outcome?
- Are these the right actions for achieving the outcome?
- Is this the right strategy to follow?
- Are the outputs delivered in a timely manner?

c. **Efficiency**

- Whether the available resources are optimally and effectively utilized in achieving the desired outputs?

d. **Progress** (*achieving outputs/outcomes*)

- What changes have occurred?
- Is there a plausible association between the changes and outputs?
- Do the outputs lead to the expected positive changes or outcomes?

e. **Sustainability** (*continuity*)

- Whether the institution can deliver an appropriate level of benefits for an extended period?
- Whether the core activities of institution can continue without external support?

f. **Flexibility** (*changes/modifications - time based*)

- Whether the institution can adapt to internal and external changes?
- What is the mechanism to review its functions under the change of situation?
- How the institution can upgrade itself with the pace of technological advancements?

Through these indicators, it is seen whether the implementation has been carried out in accordance with processes that have been initiated through the designed inputs to achieve the desired outputs. It is further examined whether the outcomes in relation to the desired outputs leading to understanding

of the impacts, will provide a feedback, to establish the lessons learned with respect to both good and bad practices. The results process is given in **Table 1**.

Table 1: Results Process

Inputs	Outputs	Outcomes	Impacts	Feedback	Lessons Learned
Manpower	Availability of appropriate manpower	Effective execution of the roles and responsibilities as per design	Increase in income levels of beneficiaries	Processes adopted	Good/Bad practices
Equipment (tools)	Utilization/application to complete the job	Equipped with appropriate technologies	Employment and sustainable income generation	Gap identification	
Funds	Timely investments/expenses	Effective planning, implementation and decision-making	Reduction in Poverty	Corrective action	
Knowledge/skills Possessed	Manpower trained	Effective implementation		Achievement of results	
		Systems and Performance improvement			
		Sustainability of the program at the grassroots			

Establishing an enabling environment for implementation of the change processes is one of the main tasks that have to be designed under Institutional Development. In view of the above, it is necessary to identify and designate the appropriate monitoring and evaluation indicators for all stages of the process. This is given in **Table 2**.

Table 2: Institutional Development Measurement Indicators

Inputs	Outputs	Outcomes	Scale of measurement	Impacts	Feedback	Lessons Learned
Expertise/ Skills possessed to accomplish the roles and responsibilities.	Appointment or depute appropriate manpower on a timely basis.	Responsible and Accountable staff	0-5, where 5 indicate all staff positioned possesses required skills to execute their role.	Increase in income levels	Processes adopted	Good / Bad practices

Inputs	Outputs	Outcomes	Scale of measurement	Impacts	Feedback	Lessons Learned
Provision of tools/equipment to carry out the prescribed roles effectively.	Utilization/application of the tools/equipment to complete the job	Effective execution of the roles.	0-5, where 5 indicate that all required equipment or tools has been supplied for utilization.	Employment and sustainable income generation.	Gap identification	
Allocation of appropriate and timely funds	Timely investments/expenses	Effective planning and decision-making	0-5 where 5 indicate fund allocation is appropriate and timely disbursement.	Reduction in Poverty	Corrective action	
Defining a coordination mechanism and guidelines for establishment of the Nodal Agency to effectively manage from pre-planning to implementation.	Policies, Trained Manpower, Coordination Mechanism being operational within the Nodal Agency and the Line Departments.	Effective implementation at all levels	0-5, where 5 indicate for policies are appropriate, manpower is trained and coordination is timely.		Achievement of results/targets	
		Performance improvement	0-5, where 5 indicate Informed decision-making is being carried out.			
		Sustainability of the program at the grassroots	0-5, where 5 indicate the program has been implemented and is being continued after withdrawal of the consultancy services also.			

The indicators identified will enable to elucidate the following aspects:

- Appropriateness of the staff/personnel on the project (with respect to the existing skills and capabilities).

- The kind of tools provided to the staff to ensure effective decision-making and conducting their roles and responsibilities.
- The status of the fund flow and the system that exists for improvement.
- Assessment of the coordination pattern amongst the line departments and grass root organisation.
- The needs assessment of the institutional players (both formal and informal).
- The gap analysis to identify the requirements to enhance the capabilities of the personnel and built a suitable working environment to delegate their roles and responsibilities.
- Suggestions for improvement in skill sets and capabilities.
- Training and capacity building on Project Management, Utilization of the Information Systems and Monitoring and Evaluation.

Strategy is a road map that will provide an action plan for accomplishing the institutional development component of this monitoring and evaluation activity. In order to quantify the indicators for measuring the defined results the strategy adopted will provide the basis for process of corrective action and improving efficiency levels.

The primary activity will be to examine the pre-planning and planning inputs and outputs that have been defined with respect to the institutional development. These will be compared with the outcomes and the impacts they will create or have created (in case of completed activities) with respect to the targets foreseen at the post implementation stage of institutional development.

7. Classification of Stakeholders'

The measurement of the indicators will be carried out through well-designed structured and unstructured (as required) questionnaires or checklists. These tools should be adopted to canvass amongst all the stakeholders. At this stage it is necessary to understand and elaborate the category of stakeholders that are going to form the target group for the stakeholders' may be classified under two basic categories, the Formal and Informal Stakeholders. The Formal stakeholders include the institutional players and the Informal stakeholders include the other groups which may be the beneficiaries under a government or project scheme.

Formal Stakeholders':

- Implementing Organisation;
- Line agencies; and
- Local Administration.

Informal Stakeholders':

- NGOs;
- Communities; and
- Other user groups.

The monitoring indicators will facilitate to elucidate the issues that are to be timely addressed with corrective actions. The evaluation will provide a feedback on the impacts and provide the appropriate learning on the practices for effective Project Management and Implementation.

The information required should be collected through well-designed questionnaires and the checklists.

4. Project Activities

The main activities under this section will address and should include:

- Assessment of the existing systems – Project Management, Implementation and Monitoring & Evaluation;
- Needs Assessment;
- Gap Analysis;
- Suggestions for System improvement;
- Training & capacity building for executing organization on monitoring and evaluation;
- Training & capacity building for utilization of the information systems Training & capacity building for beneficiaries and users associations on record keeping, project management, supervision and maintenance of the systems; and
- Training and capacity building for the line agencies on effective monitoring and evaluation.

The details of the activities that are to be carried out are given in the **Table 3**.

Table 3: Institutional Development Activities

Sl.No.	Activities
1.0	Develop the Institutional Development Strategy.
2.0	Secondary Information Gathering.
2.1	Review of existing institutional systems of the (formal stakeholders') Organisation and the Line Departments through the available published information.
2.2	Review of existing institutional systems of the Informal stakeholders' through the available published information.
2.3	Assessment of the further activities and requirements for the institutional monitoring and evaluation.
2.4	Develop structured and unstructured checklists to gather primary information from both formal and informal stakeholders' through public consultations and conversational interviews.
3.0	Primary Information Gathering.
3.1	Public consultations with formal and informal stakeholders'.
3.2	Conservational Interviews with formal and informal stakeholders'.
4.0	Information Collation and Analysis.
4.1	Data Entry of both secondary and primary data information.
4.2	Data Collation and analysis.
5.0	Reporting.
5.1	Gap Analysis and Needs Assessment.
5.2	Identification of the Training and Capability Needs.
5.3	Developing the Institutional Development enhancement strategy.
6.0	Identification of continued activities.

5. Concluding Remarks

The institutional development will enable to enhance the effective project management and implementation of the project.