# The LGU Capacity Assessment and CapDev Agenda Formulation Toolkit

*A Guide to the new SCALOG and CapDev Agenda Processes and Tools*

Local Government Academy
Department of the Interior and Local Government

**The LGU Capacity Assessment and CapDev Agenda Formulation Toolkit: A Guide to the New SCALOG and CapDev Agenda Processes and Tools**



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# Acronyms

| | |
|---|---|
| **CapDev** | Capacity Development |
| **CDP** | Comprehensive Development Plan |
| **CLD** | Causal loop diagram |
| **DILG** | Department of Interior and Local Government |
| **ELA** | Executive-Legislative Agenda |
| **LGA** | Local Government Academy |
| **LGU** | Local Government Units |
| **MLGOO** | Municipal Local Government Operations Officer |
| **SCALOG** | System on Capacity Assessment for Local Governments |

## About this Toolkit

This toolkit is a step-by-step guide in analyzing the capacity improvement needs of LGUs and identifying appropriate capacity development interventions to address these needs. It updates two linked tools in LGU capacity development: the System on Capacity Assessment for Local Governments (SCALOG) and the Capacity Development (CapDev) Agenda. The SCALOG is the process for determining the capacities that need to be strengthened to facilitate the achievement of the LGU's performance goals. The CapDev Agenda enables the LGU to map out the interventions that must be undertaken to address its capacity improvement needs.

Capacity assessment and the CapDev Agenda are an integral part of the CDP/ELA. This toolkit may be considered an accompanying guide to the CDP/ELA Manual. It provides additional tools that would improve the depth of analysis and the alignment of capacity development to the LGU's performance goals.

## Target Users

The target users of this toolkit include:

- The LGU CDP/ELA Team
- Field Officers who assist the LGU in the CDP/ELA process

## Overview of the Processes and Tools

The process of capacity assessment and planning involves answering a series of key questions to arrive at a clear understanding of the context, performance goals and capacity development needs of the LGU. These questions guide the general process, steps and tools of the new SCALOG and CapDev Agenda formulation. This toolkit is organized according to the steps outlined in Figure 1. The following is a brief description of each step.

### Context Analysis

Before conducting a capacity assessment, there should be a clear understanding of the broader context of the LGU. The key questions guiding this process are:

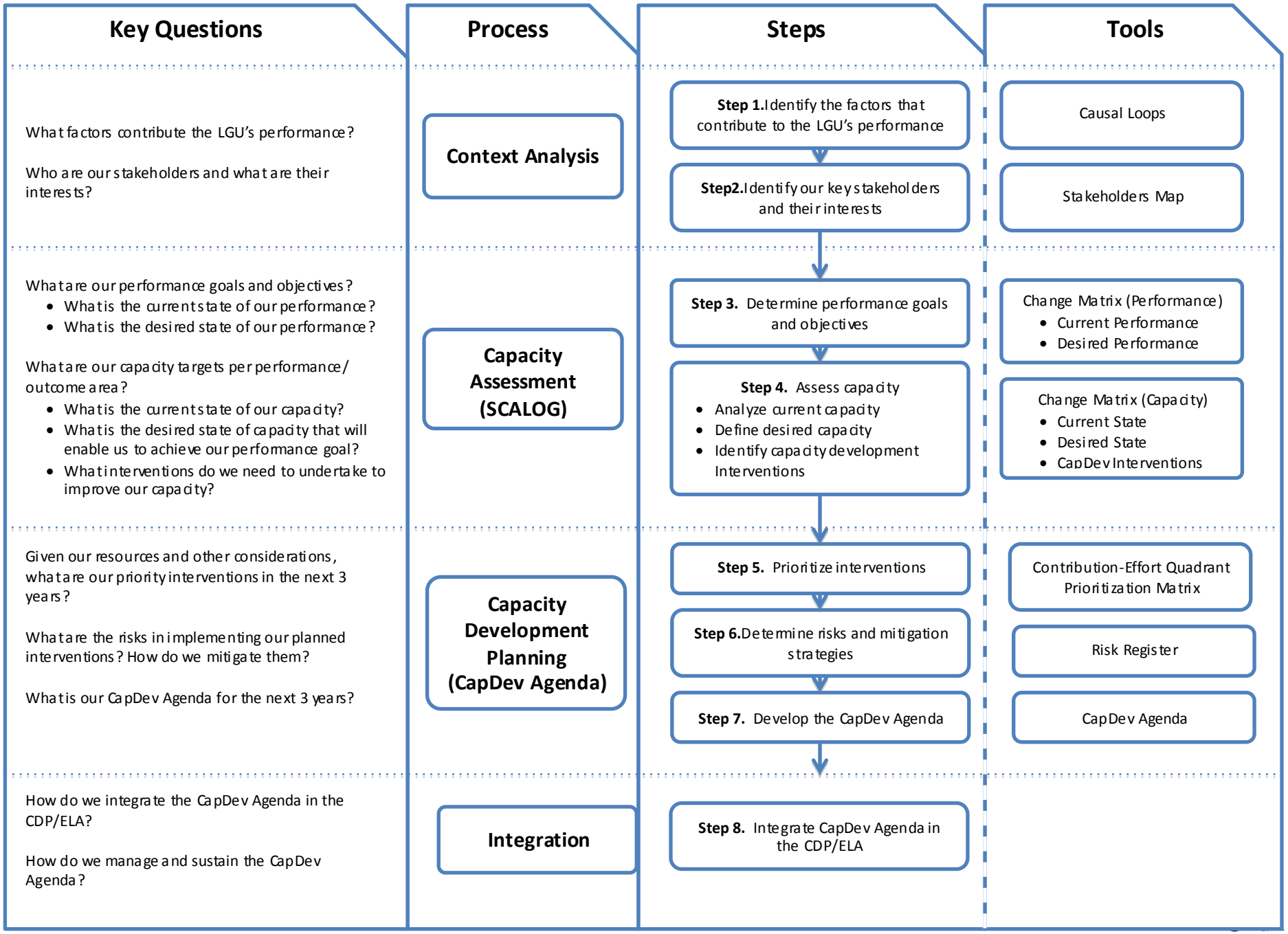
- *What factors contribute to our LGU's performance?*
- *Who are our stakeholders and what are their interests?*

To answer these questions, the steps and tools in Context Analysis include:

**Step 1. Identify the factors that contribute to the LGU's performance.** This is a participatory process in which key issues or problems confronting the LGU are identified. A **Causal Loop Diagram** is used to generate a systems view of the problems, how they are related, their causes and effects, and how they enable or constrain LGU performance.

**Step 2. Identify key stakeholders and their interests.** This involves identifying and understanding the important stakeholders of a particular problem/issue in the LGU. The success of a CapDev intervention, or any project for that matter, depends largely on the support of the key people, groups or institutions that can significantly influence the CapDev initiative or are affected by it, either positively or negatively. A **Stakeholders Map** is developed to understand who are the key stakeholders, their position on an issue, and how they can contribute in addressing the issue.

**Figure 1.Capacity Development Agenda Formulation Processes, Steps and Tools**



## Capacity Assessment: SCALOG

Capacity assessment is the process of identifying the capacity improvements needed for the LGU to achieve its performance goals. The key questions guiding this process include:

- *What are our performance goals and objectives?*
    - *What is the current state of our performance?*
    - *What is the desired state of our performance?*
- *What are our capacity requirements given our performance goals and objectives?*
    - *What is the current state of our capacity?*
    - *What is the desired state of capacity that will enable us to achieve our performance goal?*
    - *What interventions do we need to improve our capacity?*

To answer these questions, the steps and tools in Capacity Assessment include:

**Step 3. Determine the performance goals and objectives.** Capacity development must contribute to achieving the performance goals of the LGU. Before assessing capacity, the performance goal to which it will support must be clear. Performance goals are set in the course of the CDP/ELA process and are used as the anchor for capacity assessment.

In this step, a tool called the **Performance Change Matrix** is used to capture the current state of performance and the desired state of performance, i.e., performance goals and objectives.

Step 4. **Assess capacity.** With the performance goals clearly established, this step analyzes the LGU's current state of capacity, defines the desired improvements in capacity and identifies corresponding capacity development interventions to address capacity gaps.

The analysis of current and desired states uses the framework of the **Capacity Pillars** or the elements that indicate whether the LGU has the "ability to perform the functions necessary to produce desired results". It involves assessing each of the Capacity Pillars described in Table 1.

**Table1: The LGU Capacity Pillars**

| Capacity Pillar | Definition |
|---|---|
| **Structure** | Presence of **appropriate structure** (office, committee or work group) with **defined authority and accountability** for performing the necessary functions within a program |
| **Competency** | **Knowledge and skills** of people who need to perform their assigned functions in the program, including technical competencies and program management competencies |
| **Management Systems** | **Systems, processes and procedures** for managing programs, i.e., planning and budgeting; design and development; implementation; and monitoring and evaluation |
| **Enabling Policies** | Presence of **policy and legislative support** for planning, developing, implementing, monitoring and evaluating service delivery functions, programs and projects (e.g., appropriation ordinance, executive issuance) |
| **Knowledge and Learning** | Mechanisms for **generating, analyzing and using data** and information as basis for **decision-making** and **continuous improvement** |
| **Leadership** | Presence of mechanisms for:<br>• Defining **vision, mission** and **values**, and setting **strategic directions**<br>• Ensuring **transparency and accountability** in the LGU's operations<br>• Instituting **participatory** mechanisms<br>• Establishing **partnerships** and collaboration<br>• **Visible sponsorship** of programs |

The analysis of capacity pillars is also captured in the **Capacity Change Matrix**. The matrix allows for a coherent analysis of the LGU's performance and corresponding capacity development to achieve its performance goals. It enables the LGU to look at the relationships of performance and capacity factors, and ensure consistency and alignment.

## Capacity Development Planning: CapDev Agenda

The analysis in the previous steps are the key inputs in developing the LGU's three-year CapDev Agenda. The following key questions guide this process:

- *Given our resources and other considerations, what are our priority interventions in the next 3 years?*
- *What are the risks in implementing our planned interventions? How do we mitigate them?*
- *What is our CapDev Agenda for the next 3 years?*

To answer these questions, the steps and tools in Capacity Development Planning include:

**Step 5. Prioritize capacity development interventions.** At this point, a long list of proposed capacity development will have been generated. Given limited time and

resources, the challenge for the LGU ELA Team is deciding on how to prioritize and separate the high priority projects from lower priority projects. The objective is to come up with a list of priority capacity development interventions that will bring the LGU closer to meeting its performance and development goals and objectives.

The **Contribution-Effort Quadrant** is one of the tools that can be used in choosing solutions that seem easiest to implement but with the biggest contribution to the desired outcome. The tool is based on two criteria: level of effort in implementing the solution, and its contribution to the desired outcome. Another option is the **Prioritization Matrix**. It is a structured and objective technique in enabling a group to achieve consensus on a set of priority CapDev projects. The matrix provides a means for ranking CapDev interventions or projects based on a set of criteria that is agreed upon by the LGU ELA Team.

**Step 6. Determine risks and mitigation strategies.** This step adds a layer of analysis to ensure that the potential risks in the implementation of capacity development interventions are considered and planned for. This process will help in minimizing the impact of possible adverse or unwelcome circumstances, should they arise during implementation. The **Risk Register** is used as a tool in analyzing risks and identifying risk mitigation strategies. The probability and impact of risks may also be used as a factor in prioritizing and/or sequencing interventions.

**Step 7. Develop the CapDev Agenda.** The process of narrowing down the priority capacity development interventions has been done and the next step is to map these out in a plan. The **CapDev Agenda** is a comprehensive three-year plan that will guide the LGU in implementing capacity development initiatives. It specifies the following information:

- Targeted Outcome Area/ ELA Priority and Performance Goals
- Current State of Capacity
- Desired State of Capacity (Capacity Development Objectives)
- Capacity Development Interventions
- Expected Output
- Target of CapDev
- Timeframe
- Funding Requirements by year
- Process Owner/ Office Responsible
- Source of Support/ Technical Assistance

### Integration

When the CapDev Agenda has been completed, it is made an integral part of the CDP/ELA. The following questions guide this process:

- *How do we integrate the CapDev Agenda in the CDP/ELA?*
- *How do we manage and sustain the CapDev Agenda implementation?*

The steps to answering these questions are:

**Step 8. Integrate the CapDev Agenda in the CDP/ELA.** This step shows where the CapDev Agenda is placed within the CDP/ELA.

**Step 9. Manage and sustain the CapDev Agenda implementation.** This step outlines some of the mechanisms in CapDev Agenda implementation, including communicating the CapDev Agenda and monitoring and evaluation the extent and effectiveness of its implementation.

## Who are involved in the process?

Since the CapDev Agenda is part of the CDP/ELA, the LGU's ELA Team plays a major role in leading and driving the CapDev Agenda formulation process. It may opt to designate a CapDev Team or point person but the ELA Team will be responsible for ensuring that the CapDev Agenda is aligned with ELA priorities.

Table 2 lists some possible stakeholders who can be involved in the capacity assessment and CapDev agenda formulation process.

**Table 2.Possible Stakeholder Groups in the LGU**

| Internal Stakeholders | External Stakeholders |
|---|---|
| • Local Chief Executive<br>• ELA Team<br>• Department Heads and selected staff (for each thematic issue)<br>• Sanggunian Members<br>• Head of Human Resource Development Department<br>• Barangay Chairperson | • NGOs<br>• Industry associations<br>• Business Chambers<br>• Workers groups<br>• Community organizations representing marginalized groups<br>• Academe<br>• National Government Agencies<br>• Oversight agencies<br>• Donor agencies<br>• DILG LGOO |

Quality of the discussions across the stages of the capacity assessment and CapDev agenda formulation hinges on inputs provided by a heterogeneous group of stakeholders who are:

- Familiar with the function, program or service being assessed
- Able to provide feedback or input on the status of the LGU's capacity to perform in the function, program, or service
- Knowledgeable on LGU strategic directions
- Knowledgeable on client needs
- Knowledgeable about new or anticipated requirements for a function, program or service

Working in teams offers the following benefits:

- More objective results are produced, since varying perspectives can be considered during the assessment process.
- If there are many projects to evaluate, dividing the task among multiple teams can speed up the process.
- More insights on the use of the criteria and the objectivity of the rating scale are generated if there are two teams scoring each project.

## SCALOG and CapDev Agenda: What has changed?

The following tables show some of the key similarities and differences between the old and new SCALOG and CapDev Agenda.

**Table 3: What has changed in the SCALOG?**

| Aspects | Old SCALOG | New SCALOG |
|---|---|---|
| Areas considered | • Follows the LGPMS Performance Areas and Service Areas:<br>○ Social Governance<br>○ Economic Governance<br>○ Environmental Governance<br>○ Administrative Governance<br>○ Valuing Fundamentals of Good Governance | • Aligned with the DILG Outcome Areas:<br>○ Competitive and Business Friendly LGUs<br>○ Environment Protective, Climate Change Adaptive and Disaster Resilient LGUs<br>○ Socially protective and Safe LGUs<br>○ Accountable, transparent, participative and effective Local Governance<br><br>Note that these areas still more or less correspond to the LGPMS performance and service areas. |
| Dimensions of Capacity being analyzed | • "Organizational Competencies" including:<br>○ Organization and Staffing<br>○ Legislative Support & Other Enabling Mechanisms<br>○ Transparency<br>○ Management Systems<br>○ Participation<br>○ Continuous Improvement/ Innovation<br>○ Customer Service | • "Capacity Pillars" including:<br>○ Structure<br>○ Competency<br>○ Management Systems<br>○ Enabling Policies<br>○ Knowledge and Learning<br>○ Leadership<br><br>Note that there are similarities in dimensions being assessed between the old and new SCALOG. Aspects of *Transparency*, *Participation* and *Customer Service* are now integrated in *Management Systems* and *Leadership*. New dimensions have been added (*Knowledge and Learning*, and *Leadership*) based on current literature on high performing organizations. |
| Link to CDP/ELA process | • Link to the CDP/ELA process is recognized but not clearly specified | • Links to related steps in the CDP/ELA process are specified to facilitate integration of the capacity assessment and CapDev Agenda in the ELA |

| Aspects | Old SCALOG | New SCALOG |
|---|---|---|
| Who are involved | • Involves internal and external stakeholders<br>• Facilitated/coordinated by the LGPMS and/or SCALOG focal person/team<br>• Involvement of CDP/ELA Team not clearly specified | • Involves internal and external stakeholders<br>• Recognizes the role of the CDP/ELA team in leading/ facilitating/ coordinating the process |
| Assessment Process | • Involves rating of specific indicators per performance/service area*<br>• Covers all areas, some of which may not necessarily be a priority for the LGU in the next 3 years<br>• Inadequate guide for in-depth analysis<br>• The ratings are used as basis for determining capacity development interventions<br><br>*Note that some of the indicators are now outdated because of new laws and other issuances since SCALOG was launched in 2004/2005. | • No ratings required<br>• Process allows for focusing on the capacities that are critical to achieving the performance goals set by the LGU for the next 3 years<br>• Involves more in-depth analysis of the current state of capacity, and identifying the desired capacity improvements to achieve performance goals<br>• The analysis is used as basis for determining capacity development interventions |

**Table 4: What has changed in the CapDev Agenda?**

| Aspects | Old CapDev Agenda | New CapDev Agenda |
|---|---|---|
| Information captured | • Columns in the template include:<br>○ Outcome Area/ Performance Objectives/ ELA Priority<br>○ Capacity Development Objectives<br>○ Capacity Development Interventions<br>○ Expected Output<br>○ Target of CapDev<br>○ Timeframe<br>○ Funding Requirements<br>○ Process Owner/ Office Responsible<br>○ Source of Support/ Technical Assistance | • Columns in the template include:<br>○ Outcome Area/ Performance Objectives/ ELA Priority<br>○ Current State of Capacity<br>○ Desired State of Capacity / Capacity Development Objectives<br>○ Capacity Development Interventions<br>○ Expected Output<br>○ Target of CapDev<br>○ Timeframe<br>○ Funding Requirements<br>○ Process Owner/ Office Responsible<br>○ Source of Support/ Technical Assistance<br><br>Note that the templates are the same except for the addition of a column on current state of capacity. |

## Link to the CDP/ELA Process

Figure 2 shows the link between steps in the SCALOG/CapDev Agenda process and the CDP/ELA process. Some of the tools in the toolkit may also be applied to the CDP/ELA process.

**Figure 2.Link between the SCALOG/CapDev Agenda Formulation Process and the CDP/ELA Process**

| SCALOG and CapDev Agenda Formulation Process | |
|---|---|
| Context Analysis | Step 1. Identify the factors that contribute to the LGU's performance |
| | Step 2. Identify key stakeholders and their interests |
| Capacity Assessment | Step 3. Determine the performance goals and objectives |
| | Step 4. Assess capacity |
| CapDev Planning | Step 5. Prioritize capacity development interventions |
| | Step 6. Determine risks and mitigation strategy |
| | Step 7. Develop the CapDev Agenda |
| Integration | Step 8. Integrate the CapDev Agenda in the CDP/ELA |
| | Step 9. Manage and sustain the CapDev Agenda implementation |

| CDP/ELA Process |
|---|
| 1 Planning to Plan |
| 2 Prioritizing Issues |
| 3 Consulting with Multi-Stakeholders |
| 4 Defining/ Revisiting the LGU Vision and Mission |
| 5 Formulating Goals and Objective |
| 6 Prioritizing Programs, Projects and Capacity Development Needs |
| 7 Determining Legislative Requirements |
| 8 Building Commitment |
| 9 Securing Endorsement, Adoption and Approval |
| 10 Moving the ELA to Action |
| 11 Popularizing the ELA |
| 12 Managing and Sustaining ELA Implementation |

step1

Identify the factors that contribute to the LGU's performance

developing the CapDev agenda

# Step 1: Identify the factors that contribute to the LGU's performance

In determining capacity issues of local governments, it is necessary to have an understanding of the LGU context as well as the issues and problems confronting LGUs. Having a good appreciation of the broader context of local issues and problems will help identify the factors that enable or constrain the LGU in performing its functions and in finding appropriate solutions.

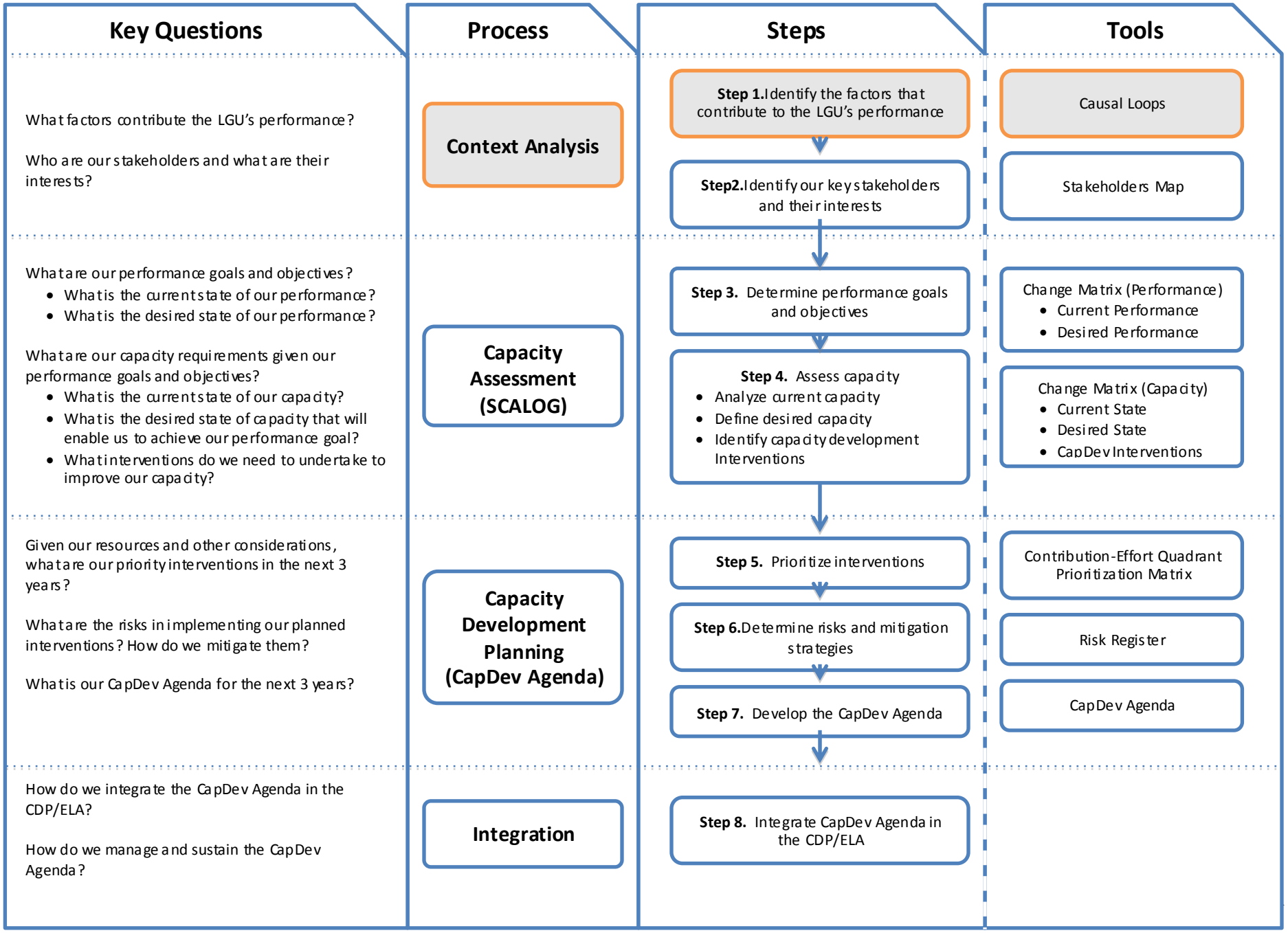
Many of the local issues being dealt with by LGUs are dynamic and inter-connected. Understanding and generating solutions to such issues require systems thinking or an analysis of the inter-relationships among the causes and effects of the problem. Complex issues are also social in nature and may be addressed through the adoption of participatory approaches to problem solving. Lastly, complex issues are evolving thus implying the need for more creative and adaptive solutions.

A critical step in developing a set of interventions to enhance the capacity of LGUs to address complex problems and meet desired performance, outcomes and goals is to have a full grasp of the broader context of the specific issues or problems in the LGU. This section presents a tool that will help the LGU ELA Team in undertaking this initial task.

### Link to CDP/ELA

This tool can also be used in Step 2 (Issue Prioritization) and Step 3 (Stakeholder Consultation) of the ELA process. It provides an alternative tool to the set of tools discussed in the ELA Manual.

Figure 1 - 1.Capcity Development Agenda Formulation Process - STEP 1



## What is a Causal Loop Diagram?

A causal loop diagram (CLD) is an analytical tool used to understand complex issues or problems. The tool helps in understanding the broader context of an issue or a problem. The CLD can be used to trace the causes and effects of a problem, or a series of problems, and how they link or interact with each other. It identifies what variables LGUs can effectively influence and what actions are beyond their ability to change.[1] By looking at all the interactions of the variables and its many causes and effects, the behavior of the entire system is revealed.

## Why Use Causal Loop Diagram?

Aside from offering a comprehensive view of complex issues in the LGU, the preparation of a causal loop diagram involves an inclusive process where all relevant stakeholders are given the opportunity to share their experience and understanding of a particular issue and the factors contributing to it. Each stakeholder is thus encouraged to tell his or her "story" on the issue. The CLD process brings together these "stories" to form a coherent picture of the issue, having incorporated the views of different stakeholders. The CLD also promotes stakeholder engagement in the capacity development process.

## When do you use Causal Loops?

Causal loops are useful in analyzing a particular complex issue or problem in the LGU. In context analysis, the causal loop activity helps surface the underlying causes and/or effects of a particular complex problem from the different perspectives of stakeholders affected by or causing the problem.

Causal loops maybe also used in the following steps of the LGU planning process:

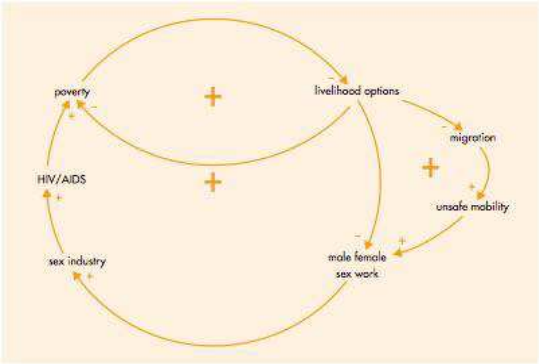
- Issue identification and analysis. By putting all possible causes and effects of a problem in a diagram, the fundamental causes of the problem can be easily identified.
- Solution generation. By surfacing the critical factors causing the problem, CLD facilitates the formulation of long-term solutions to the fundamental issue rather than short-term fix to problem symptoms. It also helps in focusing LGU interventions on issues that are within their control.

**Figure 1 - 2.** Example of a Causal Loop Diagram Application

In India many organizations are involved in tackling the wide range of interconnected problems related to poverty, human trafficking, sex work and HIV/AIDS. Five NGOs – one each located in Delhi and Kolkata (formerly Calcutta), and three in rural areas of northern India – participated in a year-long action research study funded by the United Nations Development Programme (UNDP). The study aimed to identify the relevant agents and factors that contribute to these problems in each of the five research areas, and the relationships among them. With such knowledge, the NGOs hoped to be able to understand where they should target their campaigns, and thus design more effective interventions.

The study began with a national level workshop where the NGO staff explored the driving forces behind the increasing levels of poverty, migration and HIV/AIDS. They then created a preliminary version of a causal loop diagram to capture their understanding of the social context in which these processes take place.

After the workshop, fieldworkers from the NGOs visited the five action research areas, where they met with community representatives, sex workers, traffickers and pimps (middlemen) and the police to hear about the problem from their points of view. Based on this new information, they refined the original causal loop diagram as shown in the diagram.




On the basis of this analysis, the Indian NGOs concluded that in order to reduce migration from rural areas, the only variable they would be able to change was the range of livelihood options. By promoting new economic activities in the rural areas (the top of the diagram), the NGOs hoped to help the farming communities by encouraging them to adopt new income-generating activities, thus reducing the high levels of poverty and eventually breaking the link between poverty and migration.

With a new range of targeted interventions, the NGOs achieved just that within one planting season. In two of the three rural areas, the new farming activities provided new opportunities for communities to improve their livelihoods so that fewer members of poor families needed to migrate to the cities. In the research areas in both Delhi and Kolkata, their interventions also resulted in higher incomes and improvements in the livelihoods of many poor families.

For the NGO workers, coming to understand the wide range of forces that serve to perpetuate a problem or situation, and realizing that they could influence only a few of them, was a humbling experience. They also recognized that understanding the context at this broader level would contribute to much more meaningful project monitoring and evaluation (M&E). Usually M&E is inward-looking, focusing on individual projects without considering the broader picture.

*On-line Source: adapted from http://www.capacity.org/capacity/opencms/en/topics/context_systems-thinking/contextual-forces.html*

# Q&A ■ How do you create a Causal Loop Diagram?

### Timeframe

Creating a causal loop diagram is ideally done in a workshop setting and may involve several iterations to come up with a more refined output. A CLD workshop may take anywhere from three to four hours.

### Resources Needed

The CLD is a highly visual exercise. It would require the use of large boards to display the diagrams, and the use of meta cards as this will facilitate rearranging of variables according to their causal relationships. The following resources will be needed:

- Meta strips
- Permanent marker

It would also help if a facilitator who is skilled in CLD will be around to guide the participants in drawing their causal loops.

### Steps in Creating a Causal Loop Diagram

As earlier discussed, the CLD exercise is a "story telling" process, where various stakeholders share their views openly, and without judgment, on a particular problem or issue affecting them.

Below are the steps in drawing up a causal loop diagram.

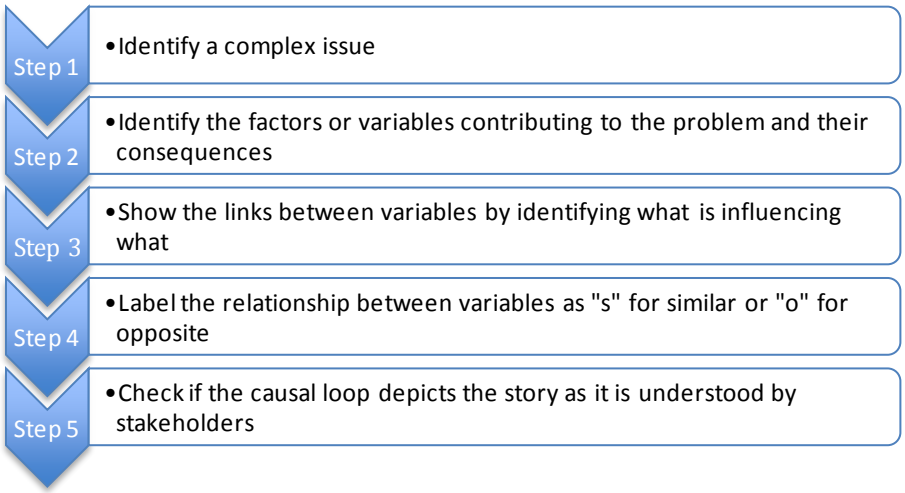
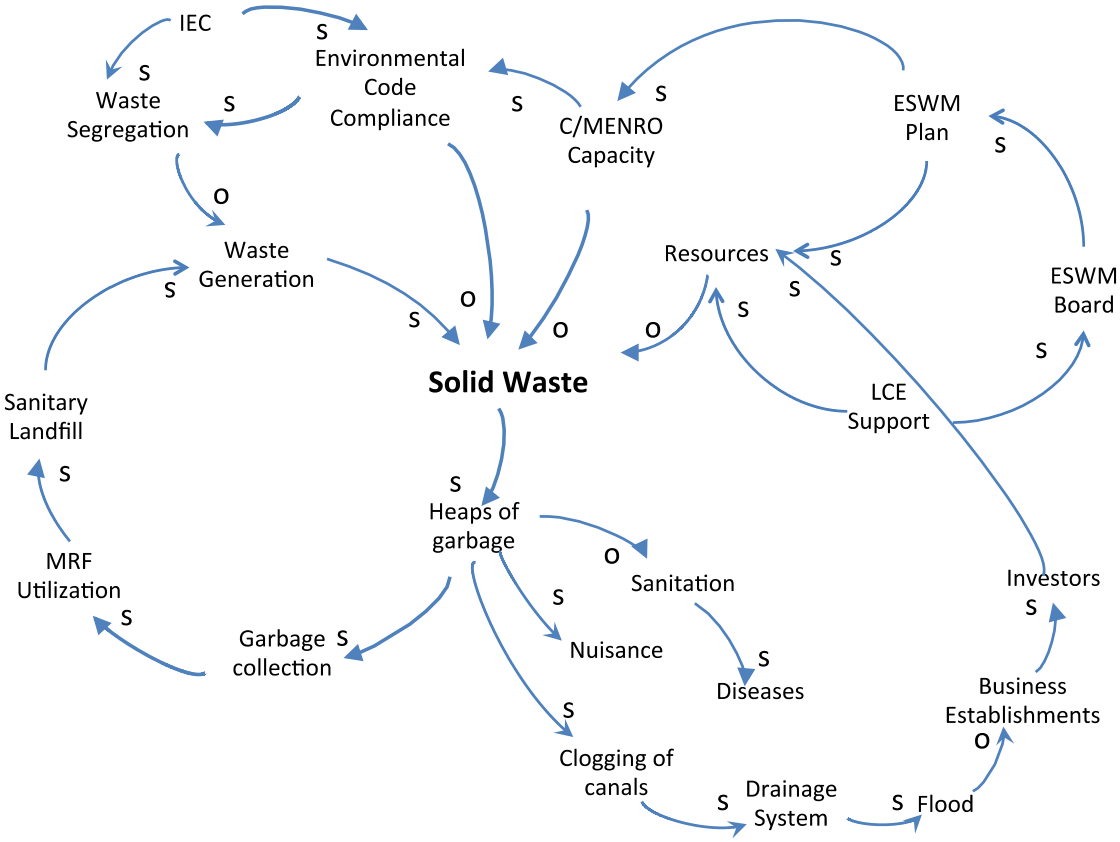


Figure 1-3 provides an actual example of causal loop diagram for a solid waste management project.

**Figure 1 - 3. Example of Causal Loop Diagram of Solid Waste Management**




## Some Guidelines in Creating a Causal Loop Diagram

1. Selecting a theme or an issue. Creating causal loop diagrams is not an end in itself, but part of a process of articulating and communicating deeper insights about complex issues. Thus, in creating a causal loop diagram, it is important to select a specific theme or an issue that you wish to understand better. It would help if the issue can be stated in specific terms. Examples of complex social issues are shown below.

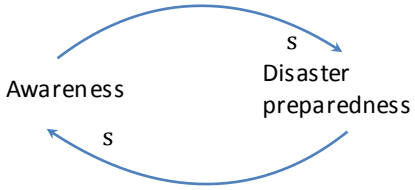
**Table 1 - 1.** Examples of Complex Social Issues in the LGUs

| Business-Friendly and Competitive LGUs | Environment-Protective, Climate Change Adaptive, and Disaster-Resilient LGUs | On Socially-Protective and Safe Communities |
|---|---|---|
| • Processing time<br>• Revenue Code<br>• Roads Infrastructure<br>• Pass-thru fees (illegal fees) | • Forest Denudation<br>• DRRM Plan or DRRMC Functionality<br>• Flooding<br>• DRRM Fund | • LPOC Functionality<br>• Criminality<br>• Water and Sanitation<br>• Waterless Communities |

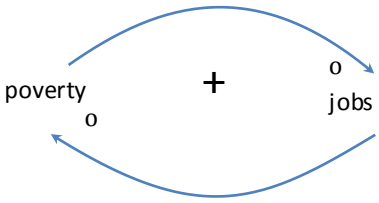
2. Direction of flow. Every causal loop has at least two variables that are related. The relationship between variables can either be the same or opposite.

*Same Direction*. When variable X happens, variable Y changes in the same direction. Thus, when one variable goes up, the other goes up; when one goes down, the other also goes down. This will be depicted on a causal loop diagram with an "S" by the direction arrow. For example, the relationship between disaster preparedness and disaster awareness is the same. The more aware the community is on disaster preparedness, the better prepared they are when disaster occurs. Similarly, the better prepared the community is for disaster, the more aware they are on what to do in times of disaster.

Example of similar relationship




Example of opposite relationship




*Opposite Direction.* When X happens it causes a change of Y in the opposite direction. This will be depicted on a causal loop diagram with an "O" by the direction arrow. As an example, the relationship between two variables, *poverty and jobs*, is opposite as indicated by the "O" next to the two arrowheads of the two variables. An increase in poverty will lead to fewer jobs, and fewer jobs will lead to more poverty. But as these links are opposite, they can also mean that more jobs will lead to less poverty, and less poverty will lead to more jobs.

3. *Use of nouns in choosing a variable name*. Avoid verbs and action phrases, because the action is explained in the loop's arrows. For example, "Income" is better than "Increasing Income," because a decrease in Increasing Income is confusing. The sign of the arrow ("s" for same or "o" for opposite) indicates whether Income increases or decreases relative to the other variable.

4. *Boundary Issue.* How does one know when to stop adding to the diagram? The number of possible connections to the issue may appear overwhelming. The key is to stay focused on the issue or what is critical to the theme being addressed instead of drawing out the whole system.

5. Loops not closing. This is acceptable as some factors may not link to any of the loops.

6. It is also possible that the original focus issue may turn out not to be the central issue.

### Causal Loops and Problem Analysis

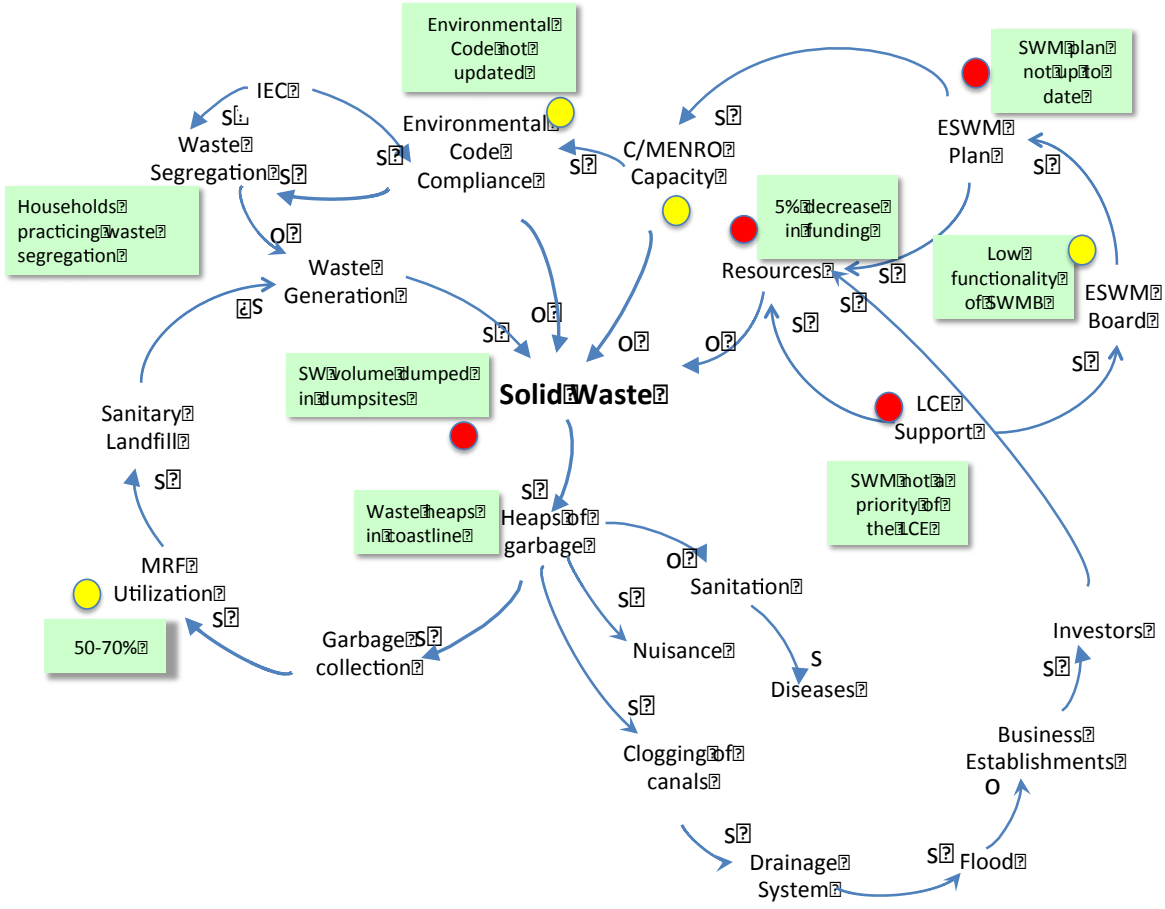
As earlier presented, causal loops provides an understanding of the inter-relationships among variables or factors affecting a particular problem. To further understand the LGU performance in each of the factors or variables shown in the causal loops, data for each of the variables in the diagram can be plotted. These data may be obtained from existing sources such as the DILG-Local Governance Performance Management System (LGPMS), Comprehensive Development Plans of the LGUs, health statistics, CBMS, anecdotal data, and other sources. By plotting the data for each of the factors, the extent of the problem and the factors causing it as well as their consequences can be illustrated.

The next step is to determine whether the LGU is doing well, somewhat doing well, or not doing well in each factor, based on targets or certain acceptable standards. The factors may be tagged by color as follows:

- Doing well
- Somewhat doing well
- Not doing well

Figure 1-4 illustrates the solid waste causal loop diagram with assessment of LGU performance and capacity per factor.

**Figure 1 - 4. Example of Causal Loop with LGU Performance and Capacity Data**




Note that the causal loop above was culled from an actual learning workshop with MLGOOs. Some of the statement of data can be enhanced by making the m more specific. For example:

**Table 1 - 2. Writing data statements**

| Instead of …. | More helpful to state as…. |
|---|---|
| SW dumped in dumpsites | 5 MT/day of solid waste dumped in dumpsite |
| Waste heaps in coastline | Huge waste heaps in coastline (indicator from LGPMS) |
| Low functionality of SWMB | SWMB not yet formed |
| 50-70% | 50-70% of barangays with MRF |

By providing data on each of the causal factors, critical gaps in LGU performance are clearly shown. This analysis can then serve as an input in assessing LGU capacity to improve desired LGU performance.

capacity.org, downloaded from http://www.capacity.org/capacity/opencms/en/topics/context_systems-thinking/contextual-forces.html

# Step 2

Stakeholder Analysis

developing the CapDev agenda

## Step 2: Identify and analyze stakeholder needs/interests/roles

The success of a capacity development (CapDev) intervention, or any project for that matter, depends largely on the support of the key people, groups or institutions that can significantly influence the CapDev/reform initiative or are affected by it, either positively or negatively. These individuals, groups or institutions that have a stake in the CapDev initiative are referred to as stakeholders. Stakeholders have varying, and sometimes conflicting interests in a CapDev initiative. Managing their varied expectations is critical in improving the progress and relevance of the CapDev initiative, and ultimately contributing to its success.

An important first step in managing stakeholders is the conduct of stakeholder analysis, a process that involves identifying and understanding the important stakeholders of a particular problem/issue in the LGU.

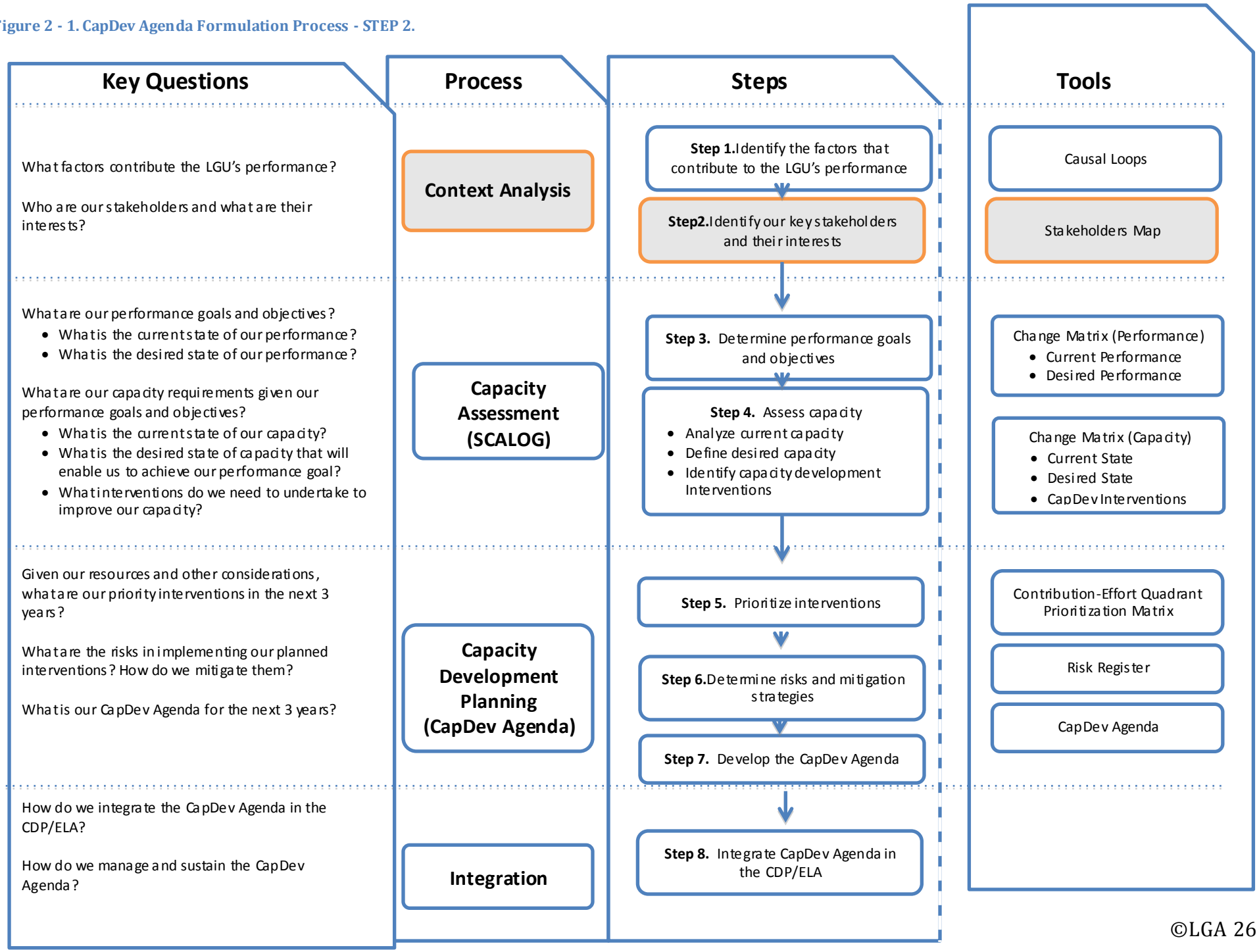
**Link to ELA**
This tool may be used in Step 3 of the ELA process.

### What is Stakeholder Analysis?

A stakeholder analysis is a technique used to identify the key people, groups or institutions who have an interest in a particular complex issue or problem, their position on the issue, and how they can contribute in addressing the issue. It is an essential starting place for understanding critical stakeholders and is the first step for developing engagement strategies for building and maintaining the networks that are necessary for the delivery of successful project or CapDev outcomes.

In context analysis, stakeholder analysis is used in conjunction with the causal loop diagram. For this phase of the CapDev process, stakeholder analysis is used to:

Figure 2 - 1. CapDev Agenda Formulation Process - STEP 2.



- identify individuals or groups who should participate in the causal loop diagram process, and
- gain understanding of the playing field for a particular issue, and as background for a realistic dialogue between the LGU and its internal and external stakeholders about CapDev and CapDev support opportunities.

## Why do Stakeholder Analysis?

The benefits of doing Stakeholder Analysis are as follows:

- The views and opinions of the most powerful stakeholders are known which may be used in designing the CapDev intervention at an early stage. This increases the possibility of getting their support for the CapDev intervention, and may result in a better designed project or intervention.
- Having the support of powerful stakeholders would facilitate resource generation for the project or intervention.
- By communicating with stakeholders early and frequently, stakeholders acquire good understanding of the problem and benefits of the CapDev intervention or the project. It also makes them appreciate their role in addressing the problem, thus encouraging their active involvement in the project or CapDev intervention.
- It can help in anticipating stakeholders' reaction to the project or CapDev intervention. The analysis may be used to prepare a plan to manage such potential reactions to the project.

## When do you use Stakeholder Analysis?

Stakeholder analysis is a tool that has a variety of uses. The tool is relevant in all stages of the CapDev process, but is particularly useful when major CapDev initiatives are considered.

In the context analysis phase, stakeholder analysis provides information on the key groups or individuals who have a stake in a particular issue or problem and whose views or opinions on the issue should be clarified.

In the design phase of a CapDev intervention or a project, stakeholder analysis is useful in defining the major beneficiary groups that should be prioritized, and identifies the key actors that will help bring the project to success. It also provides the planning team the opportunity to have an insightful conversation about the stakeholders of the project, thus enabling the whole team to acquire a clearer understanding of the range of project stakeholders, and helping them develop a more focused project strategy.

In planning for implementation, stakeholder analysis can be used to assess the likely support for and resistance to CapDev or a project, to devise means to strengthen support and overcome resistance, and to design CapDev that is realistic given stakeholder positions.

For the implementation phase, results of the stakeholder analysis can be used to develop engagement strategies for building and maintaining stakeholder networks that are necessary for the delivery of successful project or CapDev outcomes.

## How do you do Stakeholder Analysis?

### Timeframe

This process may take one to two hours per outcome area.

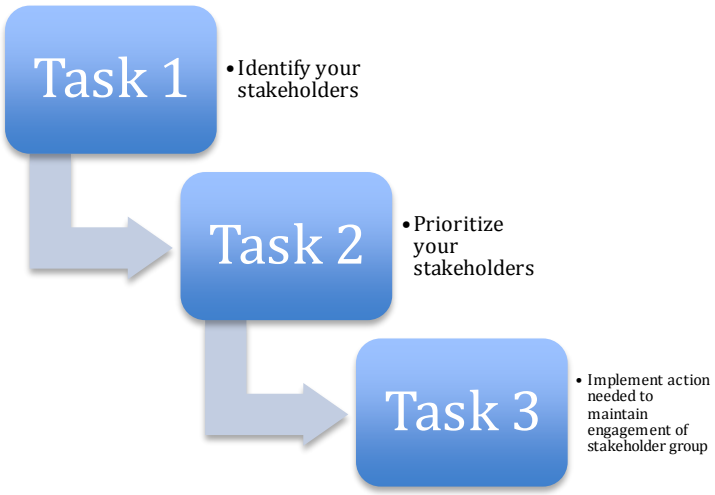
### Resources Needed

- Workshop materials, such as meta cards, permanent markers
- LCD projector

### Instructions

Stakeholder Analysis consists of three basic tasks as shown in Figure 2-2.[ii]

Figure 2 - 2. Steps in Stakeholder Analysis




1 – Identify Your Stakeholders

The first task is to identify who the stakeholders are for a particular issue. This is done through the conduct of a brainstorming activity among the LGU team members. Since stakeholders may consist of either individuals or organizations, it is important to identify the appropriate representative of the stakeholder organization to ensure that meaningful inputs are obtained from that representative.

While an initial picture can be built in a workshop setting based on perceptions and anecdotal evidence of the LGU Team, qualitative data collection methods must be applied to get to a more accurate estimate. For more complex CapDev efforts, collection of qualitative data is clearly required and analysts with intimate knowledge of the stakeholders would have to be involved.

2 – Prioritize Your Stakeholders

Task 1 will generate a long list of people and organizations that are affected by the issue or the project. The next step is to prioritize the stakeholders based on the assessment of the following factors:

- **Interests in the Issue.** This refers to the interest that the stakeholder pursues or the objectives they are trying to achieve. Interest on the issue may be summarized on a 3-point scale: High, Medium or Low. Stakeholders with much potential gain or loss when this issue is addressed

will have high interest in the issue.

- **Influence of stakeholder in the program.** Resources for influencing Includes policy or formal authority (issuance of an order to subordinate), human, financial, technology, expertise, influence (through informal networks, alliances, and patron-client relationships, such as a political party, an ethnic group or an "old boys' network"), moral authority, clan etc. Knowing who knows whom, why, and how may be essential to understand the patterns of influence.
  The relative power of stakeholders for influencing can be summarized on a three point scale: high (3), medium (2), low (1). Stakeholders with no resources would effectively have no stake (0) and should thus not enter in an analysis of the current situation—but they could become important future actors if empowered in some way.
- **Position on the issue.** Stakeholders may have different positions on the issue. This column serves to indicate the stakeholder's stand, again on a three point scale: supportive (3), neutral (2), or resisting (1).
- **Mobilization Capacity.** This refers to how fast the stakeholder can mobilize its power to influence the project or CapDev process. Using a three point scale, it can be high (3), medium (2), low (1).

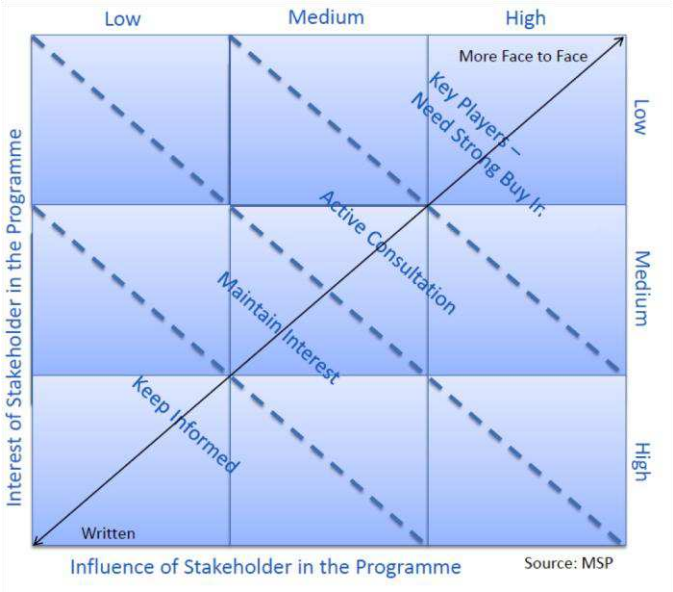
Table2-1 presents a stakeholder map template using the above variables.

**Table 2 - 1. Stakeholder Map**

| Complex Social Issue: Solid Waste Management (SWM) | | | | | |
|---|---|---|---|---|---|
| **Group** | **Interest in Issue** | **Influence/ Resources** | **Mobilization Capacity** | **Position in Issue** | **Action needed with this stakeholder group** |
| LCE (mayor & PB's) | High<br>- Political mileage | Policy, human, financial, influence, moral, authority, clan | High | Support | Need strong buy-in |
| Church | High<br>- Social acceptance, moral, mileage | Policy, human, financial, influence, moral, authority | High | Resist | Need strong buy-in |
| NGAs | Medium<br>- Monitors extent of compliance to existing laws/policies | Policy, human, financial, technology, expertise, moral, authority | Medium | Support | Active consultation |
| Business sector | High<br>- Profit / Investments/ Jobs | Policy, human, financial, technology, expertise | Medium/low | Support/resist | Active consultation |
| Household | High<br>- Welfare | Clan | Low | Neutral | Active consultation |
| Private institutions, academe on SWM | High<br>- Academic interest | Policy, human, technology, expertise | Medium | Neutral | Active consultation |

If the stakeholders' ratings are to be plotted in a graph using the two variables, "interest in the issue/project" and "influence in the issue/project", a stakeholder grid will be generated (Figure 2-3). The stakeholder grid presents a convenient way of identifying who the key stakeholders are and the suggested actions for each stakeholder classification. See example in last column of Table 2-1.

**Figure 2 - 3. Stakeholder Grid**




3 – Implement action needed to maintain engagement of stakeholder group

The last task is to implement needed actions identified in the last column of the Stakeholder Map.

This part was adapted from Thompson, Rachel, *Stakeholder Analysis: Winning Support for Your Projects,* http://www.mindtools.com/pages/article/newPPM_07.htm

# step3 Determine performance goals and objectives

developing the CapDev agenda

## Step 3: Determine performance goals and objectives

Effective performance is the main purpose of capacity development. Improvements in capacity should lead to improvements in performance. Before assessing capacity and planning for its development, it is important that the performance goals and objectives to which capacity should contribute are clearly established.

**Link to CDP/ELA Process**

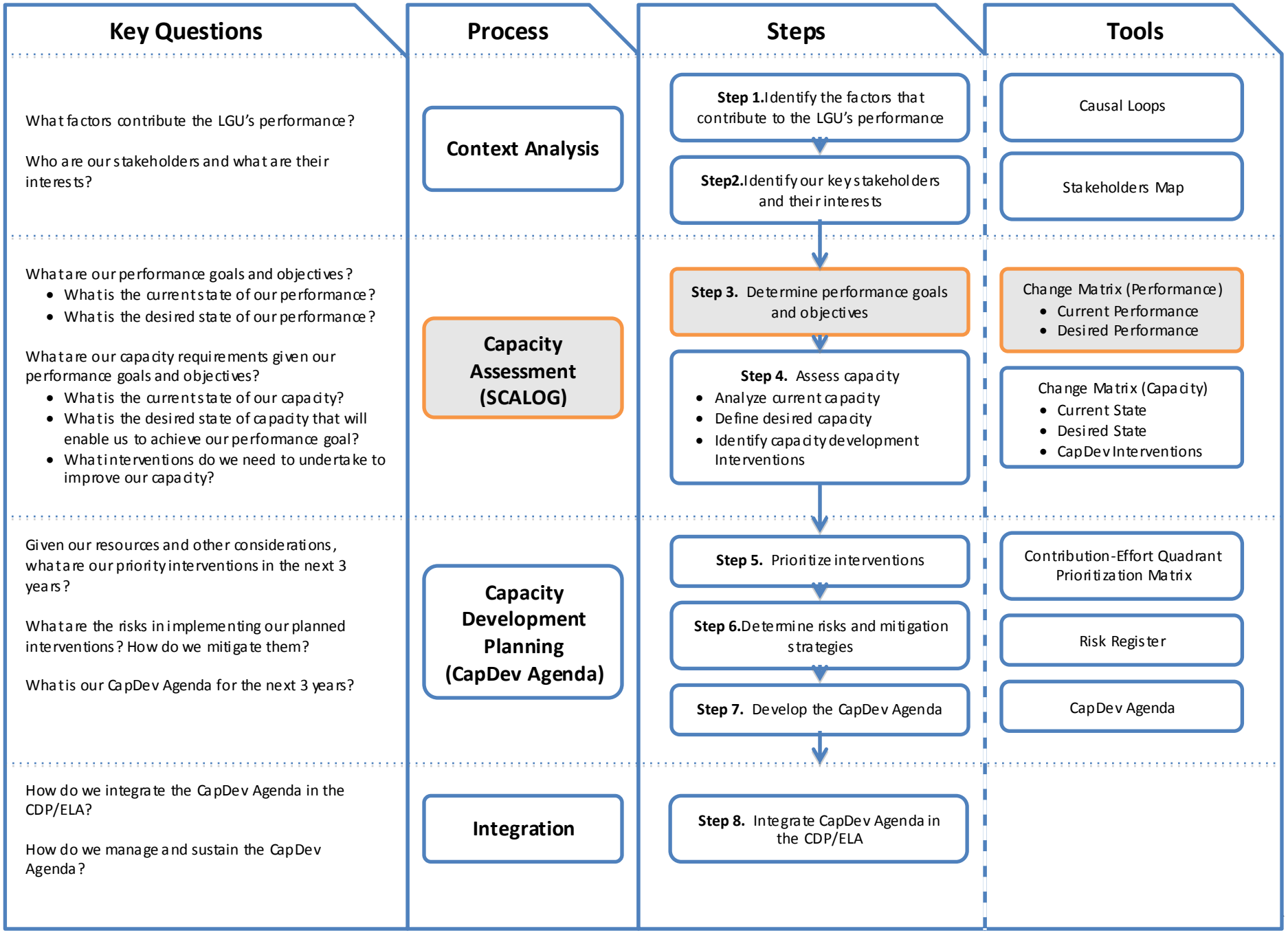
In the CDP/ELA process, goals and objectives are identified in Step 5(Formulating Goals and Objectives). These are the anchors for the subsequent step of identifying appropriate programs and projects, and the interventions needed to develop the required capacities for implementation. This section of the toolkit draws heavily on the ELA Manual for concepts, definitions and guidelines for developing goals and objectives to maintain consistency in the practice of goal-setting process.

### Q&A: What is the difference between Performance and Capacity?

Capacity and performance are closely linked together. **Capacity** is the "**ability** of LGU (organization and individuals) to perform functions to fulfill their accountabilities and produce desired results", and **Performance** is the "**effectiveness** of the LGU in achieving its mission or what its mandate says, and producing desired results".[1]

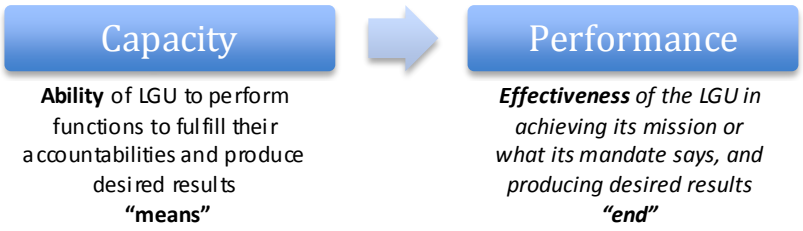
[1] Draft DILG Capacity Development Framework for LGUs, LGA, 2013.

Figure 3 - 1.Capacity Development Agenda Formulation Process – STEP 3



Capacity is the "means" by which the LGU is able to perform and achieve its desired "end" results (Figure 3-2).[2]

**Figure 3 - 2.** Link of Capacity and Performance




**Capacity** includes the resources and enabling mechanisms (inputs) to run processes and systems (throughput) to produce/deliver products and services (outputs). **Performance** has to do with the effectiveness of products and services in meeting the needs of constituents (outcomes) and in the long run improving their lives and their communities (development impact).[3]Table 3-1 shows some examples.

**Table 3 - 1.** Examples of capacity and performance

| Capacity | Performance |
|---|---|
| • Appropriate organizational structure<br>• Competent employees<br>• Efficient and effective Management systems<br>• Enabling policies<br>• Presence of Knowledge management mechanisms<br>• Adequate resources<br>• Effective leadership | • Client satisfaction<br>• Compliance with Environmental Code<br>• Increase in farmers participating in agri-extension program<br>• Increase in business registration<br>• Increase in local revenues<br>• Increase in income of farmer households<br>• Decrease in infant mortality |

[2] Draft DILG Capacity Development Framework for LGUs, LGA, 2013.
[3] Ibid.

## What are Performance Goals and Objectives?

The ELA Manual describes goals and objectives as follows:

> *Goals and objectives translate an organization's mission into more concrete and measurable terms. They set targets and provide detailed answers to the questions: where is the organization headed and when is it going to get there. Both are desired results, but they differ in time frame and impact.*[4]

The distinction between goals and objectives is likewise explained:

> *In the hierarchy of objectives, goal is the higher objective. A set of objectives can contribute to the attainment of a goal. Goals are long-term results that bring the LGU closer to the vision. They represent and measure the desired changes in the lives of the local community. Goals impact on the lives of your constituents. They are measured in terms of actual benefits to people.*
>
> *It is possible that the LGU cannot solely be accountable for the attainment of a goal and it can only be accomplished in partnership with other agencies. On the other hand, objectives are immediate results that LGUs are directly accountable for. They can be achieved in the shorter term. The realization of several objectives can contribute to the achievement of a goal.*[5]

Furthermore, performance indicators are identified for goals and objectives:

> *Performance Indicators (PI) measure the extent of achievement of desired results. PIs are needed for both goals and objectives and can be expressed either quantitatively or qualitatively. One must establish the PI baseline of the current year, PIs for the next year, or according to the planning horizon desired.*[6]

Aside from defining the success criteria, performance indicators are necessary in monitoring and evaluation. They are the basis for tracking the progress of achievement of desired results, and identifying problems areas and appropriate solutions.

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[4] How to Formulate an Executive and Legislative Agenda for Local Governance and Development: A Manual, Philippines-Canada Local Government Support Program (LGSP), 2004.
[5] Ibid.
[6] Ibid.

It is also helpful to remember that there are already many existing indicators of LGU performance, such as those in the LGPMS, socio-economic indicators of NEDA, the Local Poverty Indicator Monitoring System of DILG-NAPC-NEDA and others. The LGU does not have to 'reinvent the wheel'. Indicators can be qualitative or quantitative.

The LGU's goals and objectives may typically fall under the following Outcome Areas.[7]

**Table 3 - 2.** Outcome Areas

| Outcome Area | Sub-areas[8] |
|---|---|
| **Competitive and Business Friendly LGUs** | Support to Agriculture Sector<br>Support to Fishery Services<br>Entrepreneurship, Business and Industry Promotion<br>Support to Tourism |
| **Environment Protective, Climate Change Adaptive and Disaster Resilient LGUs** | Forest Ecosystem Management<br>Freshwater Ecosystem Management<br>Coastal Marine Ecosystem Management<br>Urban Ecosystem Management<br>Disaster Preparedness |
| **Socially protective and Safe LGUs** | Health Service<br>Support to Education<br>Support to Housing and Basic Facilities<br>Peace and Security |
| **Accountable, transparent, participative and effective Local Governance** | Local Legislation<br>Development Planning<br>Revenue Generation<br>Resource Allocation and Utilization<br>Customer Service<br>Human Resource Management and Development<br>Transparency<br>Participation<br>Financial Accountability |

[7] DILG-LG Sector Indicative Conceptual Framework, 2013.
[8] These sub-areas are largely based on the current LGPMS service areas, with some modifications, such as Tourism (an emerging area in LED) and Disaster Preparedness (previously under the Social Governance performance area).

## Q&A ■ How do you formulate performance goals and objectives?

The ELA Manual suggests useful tools like problem tree analysis and objective tree, among others, in generating goals and objectives. This toolkit offers an additional option that makes use of the Causal Loop Diagram developed in Step 1 as the springboard for goal and objective setting. The output is a **Performance Change Matrix** that captures the current and desired state of performance in the LGU's priority areas. The matrix organizes the goals and objectives and will later facilitate the analysis of capacity needs and requirements.

### Timeframe

One to three hours per priority area

### Resources Needed

If you want an electronic documentation of the process:

- Laptop
- LCD
- Change Matrix template

If you want a more interactive, paper-based documentation of the process:

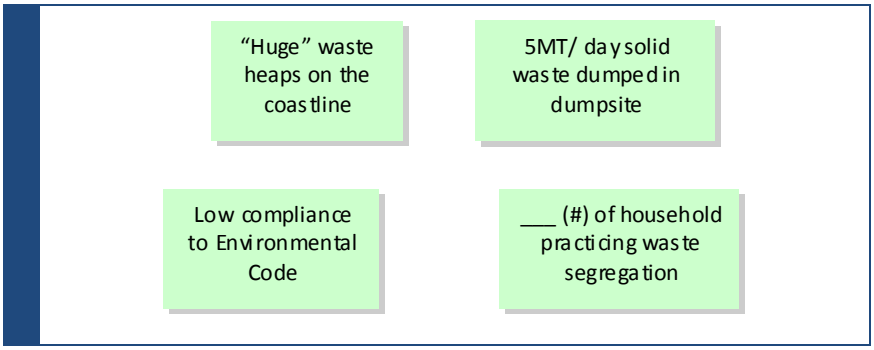
- Metacards (or strips of paper, size of half or one-fourth of bond paper)
- pentel pens
- masking tape

### Instructions

1. Organize the Performance Change Matrix according to LGU priority or outcome areas.
2. Group the participants according to these areas. For example: (1) Competitive and business friendly LGUs; (2) Environment Protective, Climate Change Adaptive and Disaster Resilient LGUs; (3) Socially protective and safe LGUs; (4) Accountable, transparent, participative and effective local governance. They may be further divided into sub-groups of more specific areas, if needed.
3. Fill up the Performance Change Matrix following these tasks:
    a. **Cull data on the current state of performance.** You will recall that by the end of Step 1 of this toolkit, an initial analysis of the factors in

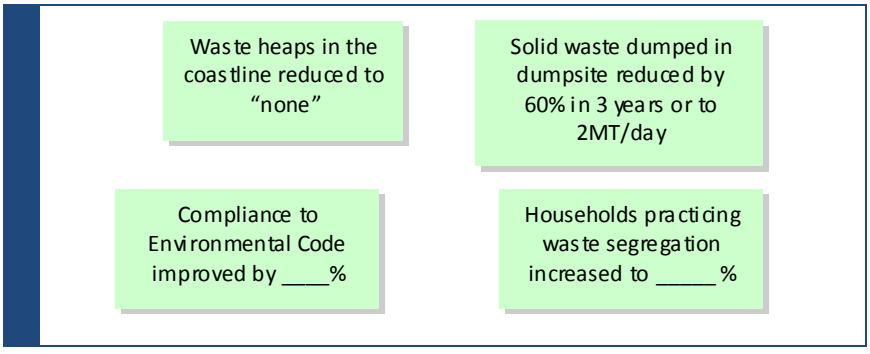
the causal loop was done and data were plotted to indicate the extent of the problem in each of the factors. Based on the data, the critical factors were tagged, e.g., where the LGU is not doing well. For example, from the analysis of the causal loop diagram on Solid Waste Management in Figure 1-4 on page 9, the following data on the current state are culled:

**Figure 3 - 3.** Example of current state or baseline data from the causal loop




b. **Formulate goals and objectives.** Discuss the identified problem areas. Obtain additional data, if needed. From the current state or baseline data, the following goals and objectives statements or desired state may be considered:

**Figure 3 - 4.** Example of desired state or goals/objectives




c. **Complete the Performance Change Matrix.** The current and desired state of performance for the different priority areas are consolidated and summarized in the Performance Change Matrix. An example is shown below.

**Table 3 - 3.** Example of Performance Change Matrix

| CHANGE MATRIX | |
|---|---|
| **PERFORMANCE** | |
| **Current State** | **Desired State** |
| **Solid Waste Management** | |
| • 5MT/ day solid waste dumped in dumpsite<br>• ___ (#) of household practicing waste segregation<br>• "Huge" waste heaps on the coastline<br>• Low compliance to Environmental Code | **Goals:**<br>• Solid waste dumped in dumpsite reduced by 60% in 3 years<br>**Objectives:**<br>• Households practicing waste segregation increased to _____ %<br>• Waste heaps in the coastline reduced to "none"<br>• Compliance to Environmental Code improved by ____% |
| **Agriculture** | |
| • Average income of farmer households – P5,500 per month<br>• Yield per hectare – 3,300kg/hectare<br>• Minimal increase in number of farmers participating in agri-extension program<br>• Small % of farmers availing of credit facility | **Goals:**<br>• Increase in average income of farmer households to P8,000 per month<br>**Objectives:**<br>• Increase in yield per hectare to 5,000kg/hectare<br>• Increase in number of farmers participating in agri-extension program by ___%<br>• Increase in farmers availing of credit by 50% |

## Step 4: Assess current and desired state of capacity

After performance goals and objectives have been identified, the next step is to determine the LGU's capacity to achieve those goals and objectives. The key questions that will be answered by this section are:

What are our capacity requirements given our performance goals and objectives?

- What is the current state of our capacity?
- What is the desired state of capacity that will enable us to achieve our performance goal?
- What interventions do we need to undertake to improve our capacity?

The capacity Change Matrix is used as a tool for systematically answering these questions. It uses the LGU Capacity Pillars as the framework for assessing capacity.

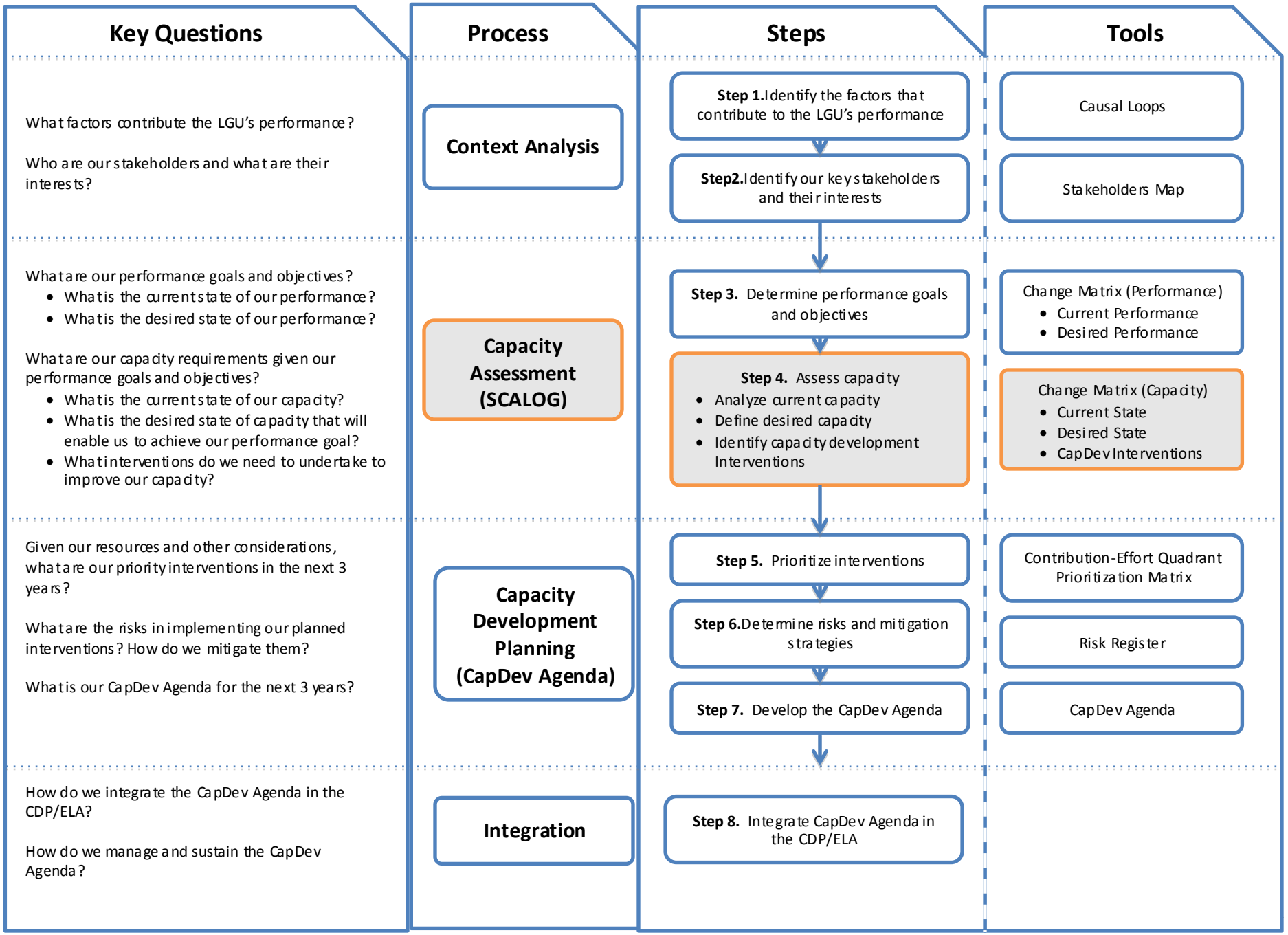
### Link to other Steps in this Toolkit

The performance Change Matrix developed in **Step 3** will be the anchor for identifying the necessary capacities to implement the functions, services or programs to achieve the performance goals and objectives. Some of the data on the LGU's current state of capacity have been identified and can be drawn from the causal loop analysis in **Step 1**.

### Link to CDP/ELA Process

In the CDP/ELA process, capacity development requirements are identified in Step 6 (Prioritizing Programs, Projects and Capacity Development). The processes and tools introduced in this section supplement and improve on those presented in the ELA Manual.

Figure 4 - 1.Capacity Development Agenda Formulation Process – STEP 3



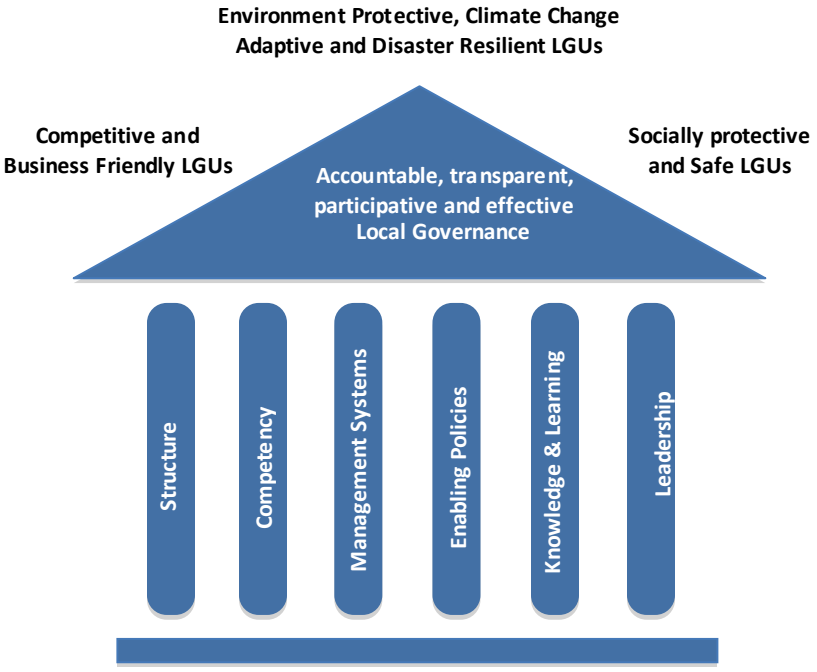
## What is Capacity Assessment?

Capacity assessment is the process of identifying the elements that facilitate or hinder the performance of an LGU. It aims to determine the core factors that need to be addressed to improve performance.

## How do you assess capacity?

The process of analyzing capacity uses a framework called the **Capacity Pillars**. These are the factors that indicate an LGU's capacity or its "ability to perform functions to fulfill their mission and deliver desired results."The intended desired results will largely revolve around economic, environment, social and governance outcomes (Figure 4-2).

**Figure 4 - 2. LGU Capacity Pillars**




The development of the Capacity Pillars framework took off from the old SCALOG 'organizational competencies'. A review of current literature on organizational excellence models was done to update the SCALOG capacity elements. The review surveyed the factors most associated with high performance. As a result, the new

SCALOG Capacity Pillars now include:(1) Structure, (2) Competency, (3) Management Systems, (4) Enabling Mechanisms, (5) Knowledge and Learning, and (6) Leadership. Similar to the performance goals and objectives, the analysis of capacity pillars will be captured in the Change Matrix tool.

Below are the definitions of the six Capacity Pillars and some helpful pointers for assessment (Table 4-1).

**Table 4 1: Capacity Pillars and Pointers for Assessment**

| Capacity Pillar | Definition | Pointers for Assessment |
|---|---|---|
| **Structure** | Presence of **appropriate structure** (office, committee or work group) with **defined authority and accountability** for performing the necessary functions within a program | Is the appropriate Structure:<br>• In place (i.e., formally established)?<br>• Functional (i.e., with appropriate staffing/membership, meeting regularly, producing required outputs, provided with budget)? |
| **Competency** | **Knowledge and skills** of people who need to perform their assigned functions in the program<br>• Technical competencies<br>• Program management competencies<br>- Planning<br>- Designing<br>- Implementing<br>- Monitoring and evaluation | • In what required technical and program management competencies are the people proficient, not proficient or needing improvement, or not proficient?<br>• Are they motivated and productive? |
| **Management Systems** | **Systems, processes and procedures** for managing programs<br>• Planning and budgeting<br>• Design and Development<br>• Implementation<br>• Monitoring and Evaluation<br>• Employee performance monitoring, evaluation and incentives system | Are the systems, processes and procedures:<br>• Documented (e.g., in a manual, flowchart, plan, protocols, SOP, etc.)?<br>• Approved for implementation?<br>• Implemented/ used/ practiced?<br>• Standardized?<br>• Streamlined?<br>• User-friendly/ customer-focused?<br>• Participatory?<br>• Transparent? |
| **Enabling Policies** | Presence of **policy and legislative support** for planning, developing, implementing, monitoring and evaluating service delivery functions, programs and projects(e.g., appropriations ordinance, executive issuance) | Are Enabling Policies:<br>• In place?<br>• Sufficient/ effective or with gaps?<br>• Up-to-date?<br>• Disseminated?<br>• Enforced? |
| **Knowledge and Learning** | Mechanisms for **generating, analyzing and using data** and information as basis for **decision-making** and **continuous improvement** | Are Knowledge and Learning mechanisms in place and effective?<br>• Are data or databases accessible to and used by stakeholders?<br>• Are M&E data are used?<br>• Are citizens/ stakeholders engaged to provide feedback on service delivery?<br>• Is there continuous benchmarking with good practices (e.g., comparing own performance with |

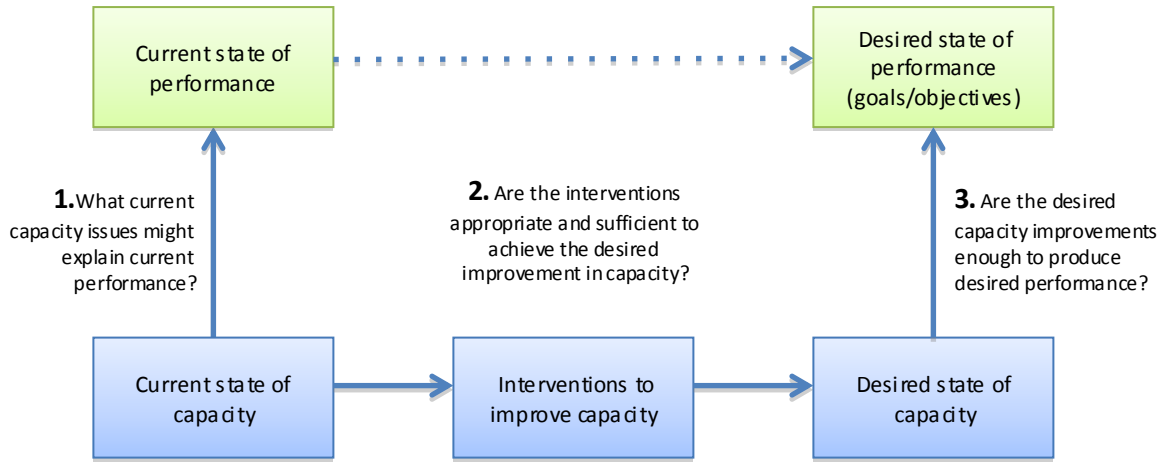
| Capacity Pillar | Definition | Pointers for Assessment |
|---|---|---|
| | | other LGUs; documenting and sharing good practices)? |
| **Leadership** | Presence of mechanisms for:<br>• Defining **vision, mission** and **values**, and setting **strategic directions**<br>• Ensuring **transparency and accountability** in the LGU's operations<br>• Instituting **participatory** mechanisms<br>• Establishing **partnerships** and collaboration<br>• **Visible sponsorship** of programs | Are Leadership mechanisms in place and effective:<br>• Social Contract, CDP-ELA, Strategic Plan, etc.<br>• SGH compliance, Ulat ng Bayan, etc.<br>• Involvement of CSOs, citizen feedback mechanisms<br>• Partnerships with NGAs, regional, sectoral groups, private sector, media, etc.<br>• Active involvement in program, providing resources, etc. |

## Q A What is the Capacity Change Matrix?

The Capacity Change Matrix provides a concise documentation of the current and desired state of each capacity pillar for a performance or outcome area. It allows for a coherent analysis of the LGU's performance and corresponding capacity development to achieve its performance goals. It enables the LGU to look at the relationships of performance and capacity factors and ensure consistency and alignment. It facilitates the examination the following:

1. Current capacity issues that might explain the current level of performance
2. Appropriateness of strategies to improve current capacity towards desired capacity
3. Appropriateness of desired/intended capacity improvements in achieving desired level of performance

**Figure 4 - 3. Relationships among Change Matrix elements**



## Q&A How do you complete the Capacity Change Matrix?

### Timeframe
Half day per performance area

### Resources Needed
If you want an electronic documentation of the process:

- Laptop
- LCD
- Capacity Change Matrix template

If you want a more interactive, paper-based documentation of the process:

- Metacards (or strips of paper, size of half or one-fourth of bond paper)
- pentel pens
- masking tape

As reference, the following should be on hand:

- This toolkit or a copy of Table 4-1 on the **Capacity Pillar Definitions and Pointers for Assessment**
- The **Performance Change Matrix** completed in Step 3.

### Instructions

As a rule, one Capacity Change Matrix is developed for one particular priority area, e.g., Entrepreneurship and Business Promotion, Agricultural Productivity, Solid Waste Management, Flooding, High School Dropout Rate, Peace and Order, and others.

The tasks in filling out the Capacity Change Matrix for an outcome area or priority program, service or function are as follows:

4. **Cull the Current and Desired State of Performance** on one outcome area from the Performance Change Matrix completed in Step 3, and place in the Performance section of the Capacity Change Matrix. See sample in Table 4-2, in the section marked "A". Adding the performance information to the Capacity Change Matrix helps in focusing the capacity assessment.

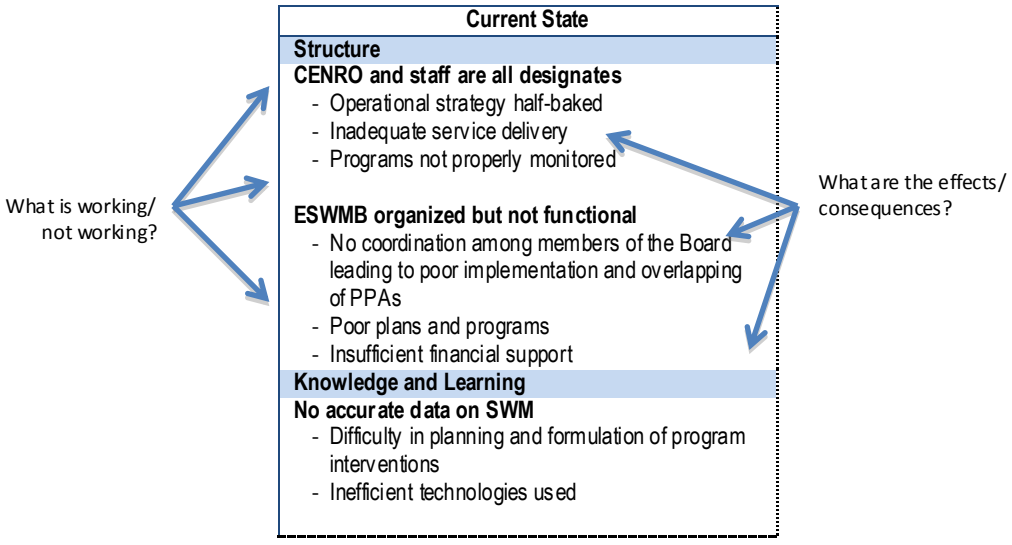
5. Determine the causes of the performance gaps or the factors contributing to good performance.
    - If there is a performance gap (current level of performance is less than desired level of performance), identify the capacity pillars that are causing the performance gaps. For each of these capacity pillars, what is not working? What are the effects/consequences?
    - If performance level is good (current level of performance is equal to or exceeds desired level of performance), identify the capacity pillars contributing to good performance. What is working well? What are the positive effects?

    In the **Current State** column of the Change Matrix, use data to describe the baseline or current situation of each pillar. Remember that some data generated by the analysis of the causal loops in **Step 1** are related to capacity and can lifted and used to fill up this column. See sample in Table 4-2, in the section marked "B1".

    It is important to be aware of the consequences of weaknesses in capacity pillars so that gravity or seriousness the problem can be gauged. It is also possible that a number of pillars produce common consequences.

    Figure 4-4 provides a closer look at how Current State descriptions are written:

**Figure 4 - 4. Writing Current State descriptions**



6. **Determine Desired State of capacity.** What capacity improvements do we need to make to improve our performance? These are the changes in the current capacity situation that would enable the LGU to operate in a way that will ensure the attainment of desired performance.

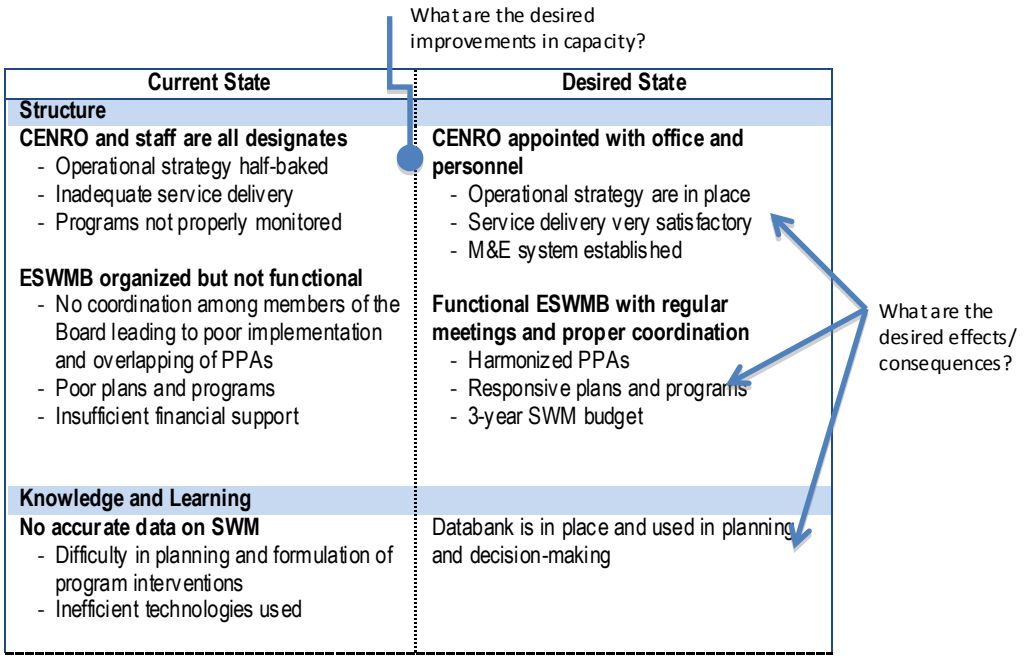
   In describing the Desired State of Capacity, here are some guide questions:

   - What would the future state look like if the current issue/s is addressed?
   - What is the improvement?
   - What would be there that was missing or lacking before?
   - What would be working better compared to the current situation?

   Similar to the statement of the Current State, the effects or consequences of the capacity improvements also need to be stated.

   Figure 4-5 provides a closer look at how Desired State descriptions are written:

**Figure 4 - 5. Writing Desired State descriptions**



7. **Identify Capacity Development Interventions.** What capacity development interventions will help improve our capacity? CapDev interventions consist of strategies or actions that need to be done to strengthen capacity pillars. See Table 4-6 in section marked "B3".

**Table 4 2: Sample Capacity Change**

| CHANGE MATRIX | |
|---|---|
| **PERFORMANCE** (A) | |
| **Current State** | **Desired State** |
| **Solid Waste Management** | |
| • 5MT/ day solid waste dumped in dumpsite<br>• ___ (#) of household practicing waste segregation<br>• "Huge" waste heaps on the coastline<br>• Low compliance to Environmental Code | **Goals:**<br>• Solid waste dumped in dumpsite reduced by 60% in 3 years<br>**Objectives:**<br>• Households practicing waste segregation increased to _____ %<br>• Waste heaps in the coastline reduced to "none"<br>• Compliance to Environmental Code improved by ____% |

| CAPACITY | | |
|---|---|---|
| **Current State** (B1) | **Desired State** (B2) | **Intervention** (B3) |
| **Structure** | | |
| MENRO and staff are all designates<br>- Operational strategy half-baked<br>- Inadequate service delivery<br><br>SWMB organized but not functional<br>- Poor plans and programs<br>- Insufficient financial support | MENRO appointed with office and personnel<br>- Operational strategy are in place<br>- Service delivery very satisfactory<br><br>Functional SWMB with regular meetings and proper coordination | Appointment of MENRO and staff<br>• Provision of budget<br>• Strategic planning<br>• Team and commitment building<br>• Regular meetings<br>• Formulate SWM plan<br><br>Creation of TWG with focus on M&E of SWM Plan<br><br>Reactivation and reorientation of the ESWMB<br><br>Conduct of monthly meetings<br>Issuance of designation |
| **Competencies** | | |
| Lack of technical know-how of MENRO garbage collectors<br>- Inefficient garbage collection<br>- Increased volume of waste dumped<br>- | Highly trained and competent garbage collectors | Conduct of re-orientation for MENRO garbage collectors on proper collection and disposal of wastes |
| **Management Systems** | | |
| Absence of monitoring mechanisms<br>- Weak enforcement of Envi. Code<br>- No basis for corrective measures | Monitoring mechanism institutionalized<br><br>Strict enforcement of laws<br><br>Effective garbage collection | Develop a monitoring mechanism<br><br>Regular submission of M&E reports<br><br>Review and improve existing |

| CAPACITY | | |
|---|---|---|
| B1 Current State | B2 Desired State | B3 Intervention |
| Ineffective garbage collection scheme (by contract)<br>- Presence of mixed garbage<br>- Poor household participation on waste segregation except for brgys with MRF | scheme institutionalized<br><br>Active community involvement | contract agreement on garbage collection scheme<br><br>Strengthen BSWMC and intensify IEC<br><br>Incentivize compliant barangays on waste segregation<br><br>Revisit and enhance existing ESWMP<br><br>Strict enforcement of environmental laws and policies<br>- |
| **Enabling Policies** | | |
| Absence of environmental ordinance and SWM Plan<br>- No blueprint for program implementation<br>- No basis for collection<br>- No M&E<br><br>- | Environmental ordinance and SWM Plan formulated, passed and enacted<br><br>Increased the level of awareness of the community | Public hearings<br>Social marketing<br>IEC/Advocacy |
| **Knowledge and Learning** | | |
| No accurate data on SWM<br>- Difficulty in planning and formulation of program interventions<br>- Inefficient technologies used | Develop Databank on SWM | Databank is in place and used in planning and decision-making |
| **Leadership** | | |
| Leniency of the LCE<br>- Poor delivery and implementation of SWM PPAs<br>Minimal partnership with CSOs and business sector<br>- No strong ties/linkage with the CSOs<br>- No sustainability of SWM programs | Environment friendly, centered and oriented Mayor<br><br>Strong LGU partnership with CSOs, NGAs and business sector | Invitation/attendance on environment and SWM program for LCEs<br><br>Orientation of NGOs/CSOs on issuances re: active partnership of LGU and CSOs<br><br>Signing and execution of MOA re: partnership of LGU and CSOs<br>- |

## Step 5: Prioritize capacity development interventions

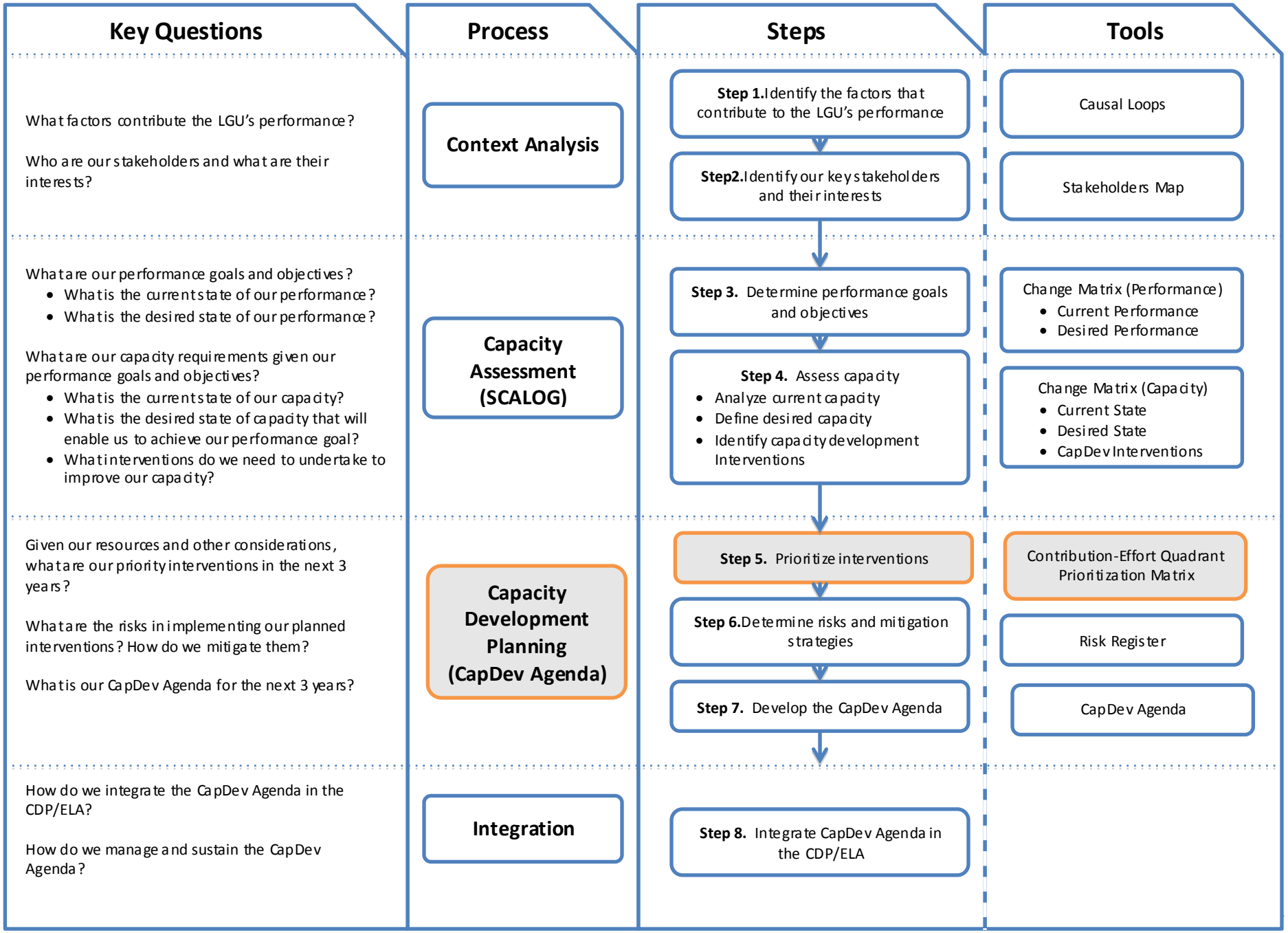
This section presents tools to properly prioritize solutions that will address capacity and performance gaps in the LGU, and enable it to achieve its desired goals and outcomes as spelled out in the ELA.

As shown in the preceding section, there are many possible solutions to addressing capacity and performance gaps of LGUs. Some of them are short term fix; others are more long term in nature. Some would require more resources to implement; others can produce immediate results with fewer resources. Given limited time and resources, the challenge for the LGU ELA/CapDev Team deciding on how to prioritize and separate the high priority projects from lower priority projects. The objective is to come up with a list of priority capacity development interventions that will bring the LGU closer to meeting its development goals and objectives. This list of priority capacity development initiatives will be the core element of the LGU Capacity Development Plan that will accompany its Executive-Legislative Agenda.

### Q&A ■ Why is there a need to prioritize CapDev interventions?

Prioritizing CapDev interventions is important as many local governments struggle to balance a growing demand for services with limited resources. For LGU executives, the three-year tenure in office offers them limited time to address major issues as well as capacity gaps in their communities. Defining the priority programs and projects, and CapDev interventions, of the LGU is therefore necessary to maximize the limited time and resources of LGUs.

Figure 5 - 1.Capacity Development Agenda Formulation Process – STEP 5



## Q A ■ How do you prioritize CapDev interventions?

There are many prioritization tools that are available in existing literature. Some of these tools are contained in the ELA Guidebook. For this toolkit, two prioritization tools will be discussed: the Contribution-Effort Quadrant and the Prioritization Matrix.

### Contribution-Effort Quadrant

This tool is used in choosing solutions that seem easiest to implement but with the biggest contribution to the desired outcome. The tool is based on two criteria: level of effort in implementing the solution, and its contribution to the desired outcome.

*Level of Effort*. This is determined in terms of any or all of the following factors:

- *Time Frame* or the length of time needed to undertake the CD intervention. This may be classified as short-, medium- or long-term.
- *Availability* or the amount of resources needed to complete the CD intervention.
- *Accessibility* or the ease by which the *required* resources to complete the CD intervention becomes available.

*Level of Contribution to Desired Outcomes*. This is *ascertained* in terms of the following:

- The CD *intervention* directly addresses the issue.
- It addresses gaps in achieving desired outcomes.
- It builds on and sustains current and projected gains from past and current interventions.

### Timeframe

This is an iterative process. The whole process may take two to five days, depending on how much time is needed for the team to have a consensus on the criteria to be used and the availability of data/information for each of the criteria.

### Resources Needed

- Metacards

- Masking tape
- Permanent markers
- Easel sheets
- LCD
- Laptop computers

### Instructions on Using the Contribution-Effort Matrix

1. From the Change Matrix, retrieve the proposed CapDev interventions.
2. Using the Prioritization Matrix, assess the level of effort and contribution for each intervention. The assessment will involve discussions among the Team, and may even require inviting concerned stakeholders to provide more information on the proposed solution. Plot the solutions in the diagram according to these assessments. Use a symbol, color, or label to identify each possible solution.
3. Capacity development solutions falling in each of the cells imply the following:

**Figure 3: Contribution effort matrix**

| Level of contribution | | | | |
|---|---|---|---|---|
| | H | High contribution<br>Low effort<br>(1) | High contribution<br>Medium effort<br>(2) | High contribution<br>High effort<br>(3) |
| | M | Medium contribution<br>Low effort<br>(4) | Medium contribution<br>Medium effort<br>(5) | Medium contribution<br>High effort<br>(6) |
| | L | Low contribution<br>Low effort<br>(7) | Low contribution<br>Medium effort<br>(8) | Low contribution<br>High effort<br>(9) |
| | | L | M | H |
| | | Level of effort | | |

**High Contribution, Low Effort (Cell #1**). These are considered the most attractive projects, producing high impact or contribution for relatively little effort. Capacity development interventions in this quadrant should be the top priorities of the LGU.

**High Contribution, High Effort (Cell #3**). These provide high contribution to outcomes but they will take a long time to complete. Given the LGU's limited resources, focusing on one major project can be at the expense of many "quick wins". Thus, when undertaking this project, it is essential to complete it quickly and efficiently and disengage immediately.

**Low Contribution, Low Effort (Cell 7**). These are projects that can be done when there is excess capacity, and can be dropped if more important activities come along.

**Low Contribution, High Effort (Cell 9)**. These are projects that should be avoided.

**In general, interventions that fall within Cells 1,2,3 may be considered high priority interventions; they are colored green, they are go for budgeting!**

**Interventions that are classified within Cells 4,5,6 are medium level interventions; they are colored yellow because these may need more discussions for consideration, subject to availability of budget etc;**

**Interventions that are subsumed in Cells 7,8, 9 are low priorities and may be "parked" or dropped off from the list of CapDev interventions.**

### Prioritization Matrix

The prioritization matrix is a structured and objective technique in enabling a group to achieve consensus on a set of priority CapDev projects. The matrix provides a means for ranking CapDev interventions or projects based on a set of criteria that is agreed upon by the LGU ELA Team.

### Benefits of a Prioritization Matrix[9]

A prioritization matrix supports structured decision-making in the following ways:

- It helps prioritize complex or unclear issues, and projects, using multiple criteria for determining importance
- It provides a quick and easy, yet consistent, method for evaluating options
- It offers a means of quantifying the decision with numeric rankings
- It is an adaptable tool that can be used in various priority-setting needs
- When used as a group activity, it facilitates consensus on priorities and key issues
- It offers a venue for conversations among LGU team members.

### Instructions in Creating a Prioritization Matrix[10]

1. **Establish the Prioritization Criteria.** The first step is for the team to draw up and agree on a set of prioritization criteria to use. Criteria setting is context specific and is determined by the values and priorities of the LGU Team and the local chief executive. Thus, prioritization criteria may vary from one LGU to another. From experience, about 3-5 criteria is sufficient.
   Common prioritization criteria used by many agencies include the following:

   *Impact or Contribution to Desired LGU Outcome*. Refer to discussions on this topic in the Contribution-Effort Quadrant section.

   *Timeframe*. Refer to discussions on this topic in the Contribution-Effort Quadrant section. In addition, many LGUs consider the LCE Term of office as the operational definition of timeframe criterion.

   *Resource constraints*. This refers to how easily the project can be implemented given constraints in organizational capacity, funding, technology and information.

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[9] Adapted from Carol Gosenheimer**,** Project Prioritization: A Structured Approach To Working On What Matters Most, Office Of Quality Improvement, University Of Wisconsin-Madison, USA, downloaded from http://oira.cortland.edu/webpage/planningandassessmentresources/toolsforassessmentandplanning/Project_Prioritization_Guide_v_1.pdf

[10] Ibid

*Acceptability*. This looks into the level of acceptability and/or resistance of influential groups to the project.

A set of indicators and/or operational definition of each criterion will have to be developed to provide clearer description of the criteria and foster a common understanding of their meaning.

2. **Establish a rating scale.** A rating scale is developed for each criterion to assess how well a particular project satisfies that criteria. As an example, a rating scale of 1-5, with 1 being the lowest and 5 the highest, may be adopted.

3. **Establish criteria weight.** Place the criteria in descending order of importance and assign a weight. Note that when a project is scored, the numeric rating given to a project for a particular criterion is multiplied by the criteria's weight to create a priority score. Examples of weights assigned per criterion:
   - Impact or Contribution to Desired Outcomes: Weight = 5
   - Timeframe: Weight = 4
   - Acceptability: Weight = 3

4. **Create the matrix.** The next step is to list all criteria in the left column arranged according to descending order of importance. Put the weight and the names of the potential projects across the top (see Figure 5-3).

5. **Score the projects.** The team deliberates on the merits of each project based on the criteria, and assigns a score to the project for each criterion. The next step is to multiply the rating for each criterion by its weight and write down the weighted value. After evaluating the project against all of the criteria, add up the weighted values to determine the project's total score.

6. **Discuss results and prioritize your list.** After completing the scores for each project, the team will have a general discussion to compare notes on results and develop a list of prioritized projects that everyone agrees upon. The prioritization process can be iterative. Based on discussions within or among groups, scores may be adjusted. Upon review, the group may decide that a project needs to move up or down in priority, despite the score it received. These types of adjustments are expected and help fine-tune the priority list. It is also important to check the results with other internal stakeholders in the LGU, particularly the Department heads concerned.

7. **Determine funding and resource allocation.** Once the priority list is generated, the team then determines funding and resource allocation for the higher priority projects. A final step involves assessing how and when (or if) to fund the lower priority projects in the future if/when more resources become available.

**Figure 5 - 2. Sample Completed Project Prioritization Matrix**

**How to Prepare a Project Prioritization Matrix**

1. Evaluate the project against the first criterion.
2. Give the project a RATING appropriate to how well the project fits that criterion.
3. MULTIPLY: weight x rating.
4. WRITE the resulting number, i.e., the weighted value, into the cell for that project and criteria.
5. Move on to the next criteria, REPEAT ALL STEPS until the project has been assigned weighted values for all criteria
6. Final step: ADD ALL VALUES for the project, and place the total in the GREEN BOX at the bottom

| Criteria/Indicator | Weight | Rating Scheme (i.e. 1-5, 1 lowest, 5 highest) | Activation of SWMB | Creation of MENRO | IEC on SWM | Preparation of SWM Plan |
|---|---|---|---|---|---|---|
| Contribution to Desired Outcome ( Reduce the volume of SW dumpings by 60% or from 5MT/day to 2MT/day) | 5 | | 5x5 = 25 | 4x5=20 | 5x5=25 | 5x5=25 |
| Availability of Resource Requirements | 4 | | 4x4=16 | 2x4=8 | 3x4=12 | 2x4=8 |
| Length of time to implement | 3 | | 3x3=9 | 2x3=6 | 3x3=9 | 3x3=9 |
| Total Project Score | 60 Max score | | 50 | 34 | 46 | 42 |

# step 6 Determining Risks and Mitigation Strategies

developing the CapDev agenda

## Step 6: Determine risks and mitigation strategies

Any new project or change effort, no matter how well designed, will face certain risks that might affect the project's success. A project risk is a consequence of an uncertain event that, if it occurs, has a positive or negative effect on the likelihood of achieving project outcomes.

*Elements of Project Risk*

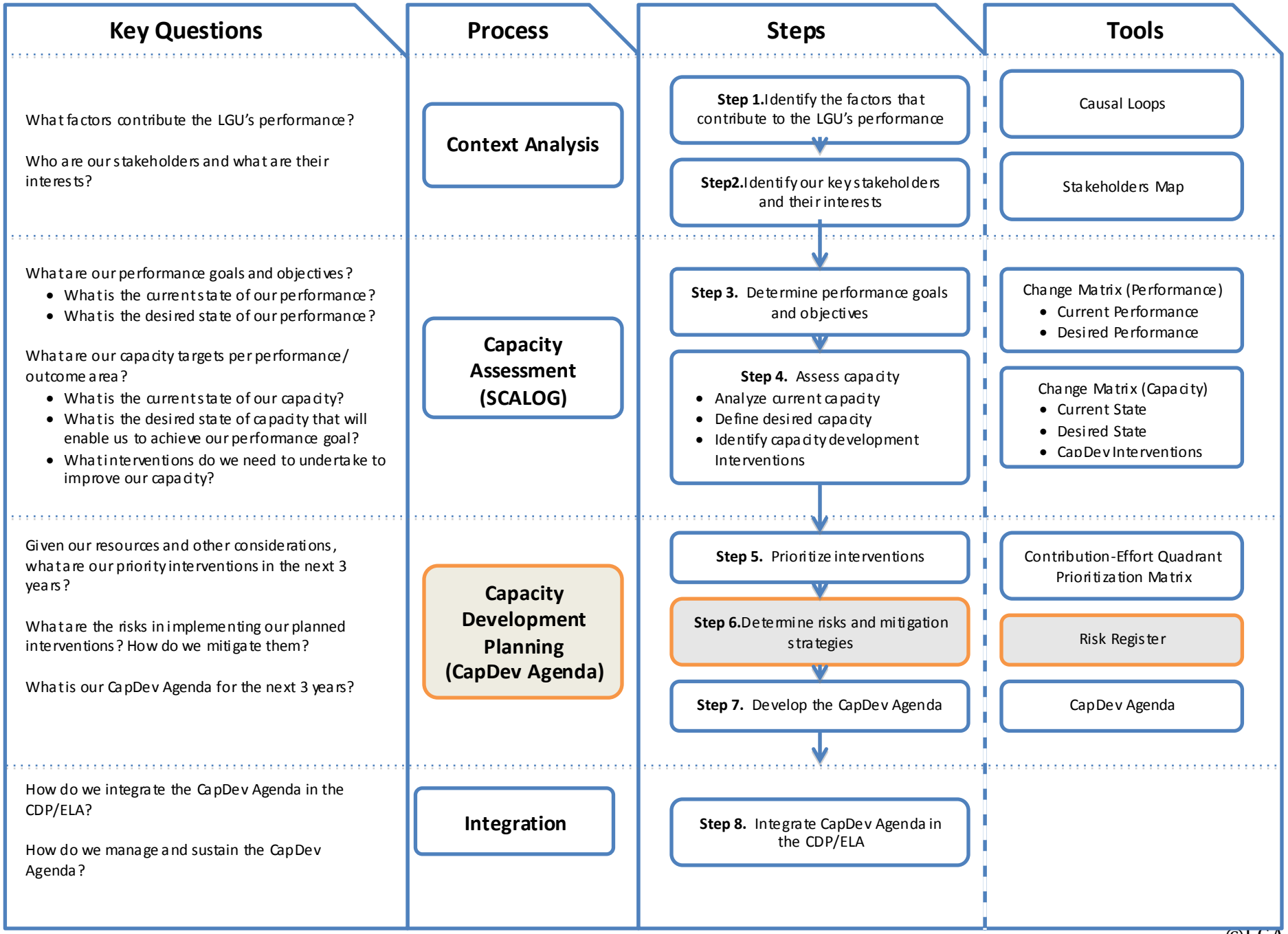
- **uncertain event**. The likelihood of an event happening or not happening, e.g. *strong opposition from the community where the controlled dumpsite will be located.*
- **positive or negative effect**. A project risk may result in negative effect. *In the example, community opposition may result in significant delays in construction of dumpsite, thus increasing construction cost.* On the other hand, certain project risks can also be positive, such as *new technologies in sanitary landfill may increase investment cost but will significantly reduce potential health impact.*
- **project objectives**. Ultimately, it is the project goal that is at stake if a risk occurs. *Severe negative risks can lead to the cancellation of a project whereas minor risks may slightly increase the completion time of a project.*

Another layer of analysis to ensure that the potential risks in the implementation of capacity development interventions are considered and planned for will have to be undertaken. Referred to as risk analysis and management, this process will help in determining the risks associated with a capacity development intervention and in minimizing the impact of possible adverse or unwelcome circumstances, should they arise

during implementation. It is a process designed to remove or reduce the risks that may threaten the achievement of project objectives.

A popular tool in risk analysis and management is **Risk Register.**

Figure 6 - 1.Capacity Development Agenda Formulation Process – STEP 6



## What is a Risk Register?

A risk register is a document prepared at the beginning of a project to characterize all of the risks associated with the project. The tool is used to identify project risks, analyze the probability of the risks occurring and the impact it would have on the project should the risks occur, and determine strategies that will mitigate the effects of the risks. An effective risk register identifies all potential problems for a specific project and is a way to make sure that these problems are removed or their effects mitigated.

### Elements of a Risk Register

A risk register consists of the following elements:

- Risk definition which defines the key risks to the project
- Risk level which establishes the intensity of the risk, e.g. High, Medium or Low
- Risk mitigation strategy which outlines the risk response strategies that will be used to manage the risk to prevent a risk event
- Risk owner identifies the owner of the risk, or the person or unit responsible for dealing with the risk event

## Why do Risk Register?

The Risk Register is useful in:

- Reducing the likelihood of the risk occurring.
- Increasing the visibility of the risk.
- Increasing the ability of the project team to handle the risk, should it occur.
- Reducing the impact of the risk, should it occur.

The probability and impact of risks may also be used as a factor in prioritizing and/or sequencing interventions.

### What are the benefits of doing a Risk Register?[11]

The benefits gained from doing project risk analysis and management, using such tools as the Risk Register, include the following:

- An increased understanding of the project, which in turn leads to the formulation of more realistic plans, in terms of both cost estimates and timescales;
- An increased understanding of the risks in a project and their possible impact, which can lead to the minimization of risks for a particular individual/group and/or the allocation of risks to the person/group best able to handle them;
- An independent view of the project risks which can help to justify decisions and enable more efficient and effective management of the risks;
- A knowledge of the risks in a project which allows assessment of contingencies that actually reflect the risks and which also tends to discourage the acceptance of financially unsound projects;
- Facilitation of greater, but more rational, risk taking, thus increasing the benefits that can be gained from risk taking.

## When do you use Risk Register?

Risk Analysis and Management is a continuous process that can be started at almost any stage in the life-cycle of a project. Hence, risk analysis and management tools, such as the Risk Register, should be updated and reviewed throughout the course of the project.

However, the effectiveness of risk analysis and management diminishes as time progresses. Thus, the risk register is most useful in the earlier stages of the project when the level of uncertainty is higher. The benefits of using risk register are achieved at different stages of the project cycle, such as the following:

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[11]Project Risk Analysis and Management, The Association for Project Management, 85 Oxford Road, High Wycombe, Buckinghamshire HP11 2DX, downloaded from http://www.fep.up.pt/disciplinas/PGI914/Ref_topico3/ProjectRAM_APM.pdf

1. *Project Design Stage*. At this stage the project is most flexible, thus, changes in project design can be made to reduce the risks.
2. *During Project Implementation*. The risk register can help improve the likelihood of completing the project according to cost and time if all risks are identified and are correctly managed as they occur.

### What types of projects are suitable for Risk Analysis?

The risk register can be used on any type of project, however it is more beneficial for projects that have more risks or are more innovative. Some of the projects where Risk Register is most useful include the following:

- Innovative, new technology projects (e.g., computerization of LGU business processes)
- Projects requiring large capital outlay or investment (e.g. housing projects)
- Projects which interrupt crucial revenue streams (e.g., reorganization of revenue collection units within the LGU)
- Projects with sensitive issues (e.g., demolition of illegal settlers)

## How do you create a Risk Register?

### Timeframe

The activity will take anywhere from one-half day to 3 days, depending on availability of information on the risk factors.

### Resources Needed

- Meta strips
- Permanent markers
- Laptop computer
- LCD

### Instructions

1. **Identify risks for each risk category.** This step is considered as the most important element of the process since once a risk has been identified it is possible to do something about it.

Figure 6 - 2. Techniques in Identifying Project Risks

- Interview key members of the project team
- Conduct brainstorming meetings with all concerned parties
- Use the personal experience of the LGU Team
- Review past experience of the LGU in implementing similar projects

2. **Decide on the risk level or intensity of the risk, using a rating scale.** Once identified, the risks are then assessed and categorized into high, medium or low probability of occurrence and major/ minor impact on the project should the risk materialize.

3. **Identify risk response strategy/ies for each risk factor identified.** Using the information collected from steps 1 and 2, the next step is to determine feasible responses to each risk identified in order to improve the probability of the project achieving its cost, time and performance objectives. This may involve amending the project plans to reduce the risk, e.g. developing contingency plans to allow rapid response if certain risks occur, or setting up monitoring procedures for critical areas in order to get early warning of risks occurring.

Figure 6 - 3. Possible Responses to Project Risks

- *Remove* - risks that can be eliminated from the project and therefore no longer propose a threat
- *Reduce* - risks that can be decreased by taking certain actions immediately
- *Avoid* - risks that can be mitigated by taking contingency actions should they occur
- *Transfer* - risks can be passed on to other parties
- *Acceptance* - the benefits that can be gained from taking the risk should be balanced against the penalties.

4. **Identify the risk owner.** Indicate the risk owner or the person who will be responsible for dealing with a given risk event.

**Monitoring.** As the risk profile of a project may change during the life of the project, there is a need to review the risk definitions and risk level, and track the use and the effectiveness of the risk response strategies.

A sample risk register template is shown in Figure 6-1 below.

**Table 6 - 1. Example of a Risk Register as applied in a Solid Waste Management Project**

| Risk Definition | Intensity (Low/Medium/High) | Mitigation Needed | Risk Owner |
|---|---|---|---|
| Strong resistance from community hosting the proposed controlled dumpsite project | High | Hold consultation meetings with community groups to inform them of the project's precautionary measures | Environmental Management Office (EMO) of the LGU |
| Low absorptive capacity of LGU staff on SWM | High | Provide training and mentoring on SWM | Head of EMO |
| Low participation of local community in SWM programs | Medium | Conduct massive IEC on SWM program | EMO |

step 7 Formulate the Capacity Development Agenda

developing the CapDev agenda

## Step 7: Formulate the CapDev Agenda

After the capacity development interventions have been prioritized and the potential risks identified for each intervention, the next step is to detail the scope of each intervention and its resource requirements. The ELA Team engages stakeholders to identify the outputs, targets, timeframe, funding requirements, process owners and support requirements of each intervention.

This step is critical because it serves as basis for (1) communicating the strategic directions and reform agenda of the current leadership; (2) allocating the budget requirements of each capacity development intervention across outcome areas of the LGUs; (3) monitoring and evaluating the effectiveness of the capacity development interventions; (4) holding process owners in particular and the LGU in general, for institutionalizing and reaping the gains of the capacity development interventions.

**Link to CDP/ELA Process**

In the CDP/ELA process, the capacity development agenda is subsumed in Step 6 (Prioritizing Programs, Projects and Capacity Development). The processes and tool introduced in this section builds on the matrix presented in the ELA Manual and Guidebook on Capacity Development Formulation Manual (2010 Revised Edition).

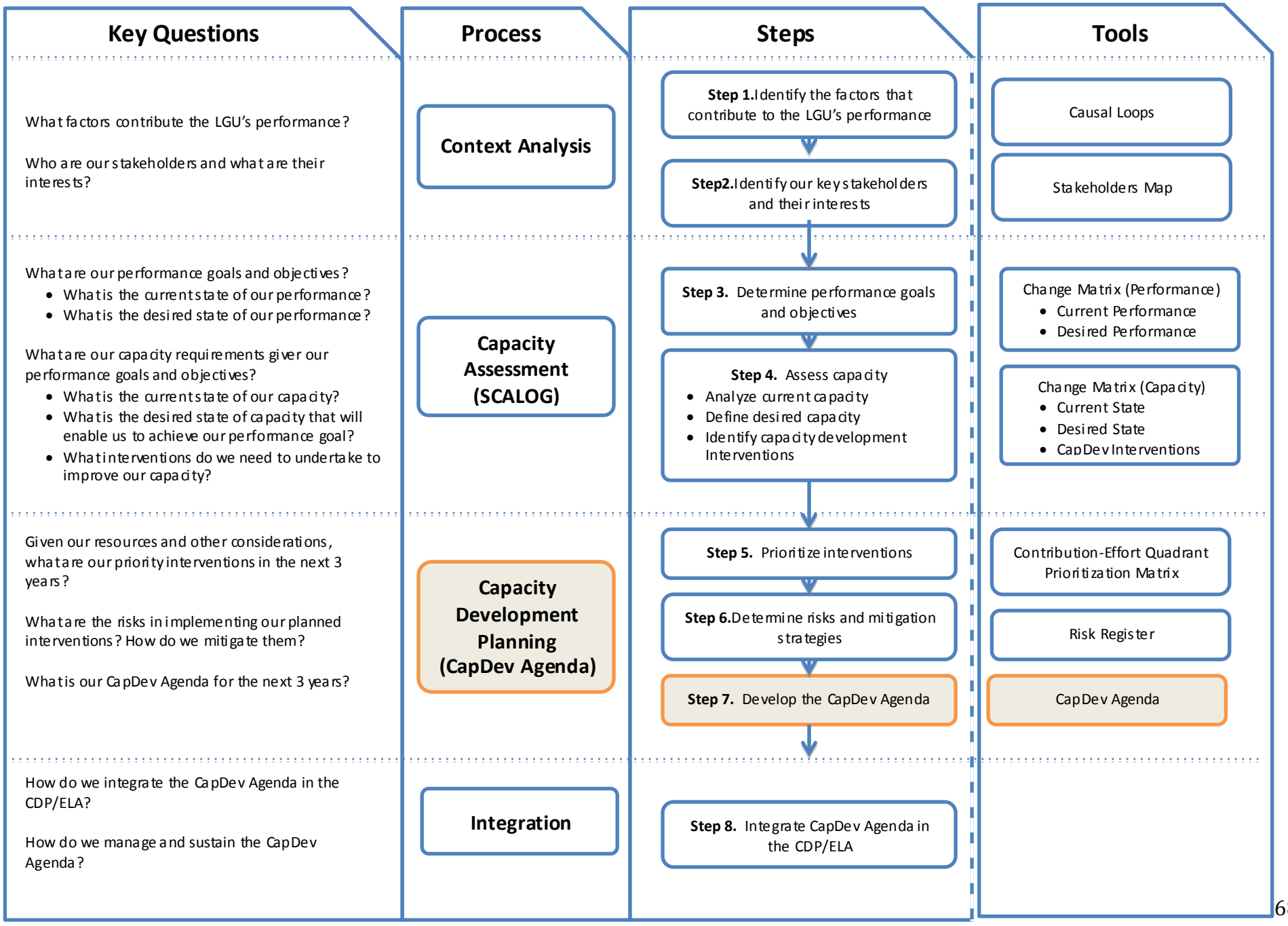
## Q&A What is a Capacity Development Agenda (CapDev Agenda)?

Capacity development is defined as a process by which **individual** competencies and **organizational** capacities are enhanced through **strategic and integrated interventions** to **equip and empower** LGUs to fulfil their **accountabilities** and produce **desired results**[12]**.**

The **CapDev Agenda** is a comprehensive three-year plan that will guide the LGU in implementing capacity development initiatives. It specifies the following information:

- Targeted Outcome Area/ ELA Priority and Performance Goals
- Current State of Capacity
- Desired State of Capacity (Capacity Development Objectives)
- Capacity Development Interventions
- Expected Output
- Target of CapDev
- Timeframe
- Funding Requirements by year
- Process Owner/ Office Responsible
- Source of Support/ Technical Assistance

[12] Workshop Discussions on CapDev Agenda formulation process, Local Government Academy, 2013.


Key Questions
Process
Steps
Tools
What factors contribute the LGU's performance?
Who are our stakeholders and what are their interests?
Context Analysis
Step 1. Identify the factors that contribute to the LGU's performance
Step2. Identify our key stakeholders and their interests
Causal Loops
Stakeholders Map
What are our performance goals and objectives?
What is the current state of our performance?
What is the desired state of our performance?
What are our capacity requirements giver our performance goals and objectives?
What is the current state of our capacity?
What is the desired state of capacity that will enable us to achieve our performance goal?
What interventions do we need to undertake to improve our capacity?
Capacity Assessment (SCALOG)
Step 3. Determine performance goals and objectives
Step 4. Assess capacity
Analyze current capacity
Define desired capacity
Identify capacity development Interventions
Change Matrix (Performance)
Current Performance
Desired Performance
Change Matrix (Capacity)
Current State
Desired State
CapDev Interventions
Given our resources and other considerations, what are our priority interventions in the next 3 years?
What are the risks in implementing our planned interventions? How do we mitigate them?
What is our CapDev Agenda for the next 3 years?
Capacity Development Planning (CapDev Agenda)
Step 5. Prioritize interventions
Step 6. Determine risks and mitigation strategies
Step 7. Develop the CapDev Agenda
Contribution-Effort Quadrant Prioritization Matrix
Risk Register
CapDev Agenda
How do we integrate the CapDev Agenda in the CDP/ELA?
How do we manage and sustain the CapDev Agenda?
Integration
Step 8. Integrate CapDev Agenda in the CDP/ELA

## The LGU Capacity Development Agenda

The LGU CapDev Agenda is performed per outcome area. Outcome goal/target is compared to current performance level to clearly specify good performance or performance gaps  The four outcome areas of the LGUs are: (1) competitive and business friendly LGUs; (2) environment protective, climate change adaptive and disaster resilient LGUs; (3) socially protective and safe LGUs; and (4) accountable, transparent, participative and effective local governance.

The LGU CapDev Agenda has 11 columns containing the following information:

**Table 7. 1: CapDev Agenda**

| **Outcome Area Goal(s)** | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Current state of capacity | Desired state of capacity | Capacity Development Interventions | Expected Output | Target of CapDev | Time Frame | Funding Requirements | | | Process owner/ Office responsible | Source of support/ Technical Assistance |
| | | | | | | Year 1 | Year 2 | Year 3 | | |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 |
| | | | | | | | | | | |
| | | | | | | | | | | |

Below is the operational definition of each term indicated in the CapDev Agenda.

1. Current state of capacity- refers to the current situation of each capacity pillar; describes the what is working/not working in each pillar; the pillars referred to are (1) structure; (2) competencies; (3) management systems; (4) enabling policies; (5) knowledge and learning and, lastly, (6) leadership.
2. Desired state of capacity- describes the desired improvements in capacity pillars so that performance goals can be achieved.
3. Capacity development interventions- strategies mapped out to enhance the ability of the LGU to achieve its desired performance.
4. Expected output- refers to a plan, program, system, process or people trained;
5. Target of CapDev-beneficiaries of the intervention;
6. Timeframe-refers to the duration of the capacity development intervention within the three-year time frame of the current leadership;
7. Funding requirements for year 1-refers to the estimated cost/budget required for CapDev interventions covered in Year 1;
8. Funding requirements for year 2- refers to the estimated cost/budget required for CapDev interventions covered in Year 2;

9. Funding requirements for year 3- refers to the estimated cost/budget required for CapDev interventions covered in Year 3;
10. Process owner/Office Responsible- who will mainly accountable for making sure that the intervention happens;
11. Source of support/ technical assistance- refers to internal or external stakeholders who can provide the necessary coaching/mentoring/technical assistance in the installation, implementation and institutionalization of the capacity development intervention.

## Why formulate the CapDev Agenda

The CapDev Agenda serves as basis for:

**Communicating the strategic directions and reform agenda of the current leadership**. The CapDev Agenda summarizes the strategic directions and broad plans of action championed by the current Local Chief Executive towards addressing the LGU capacity /performance gaps. A clear idea of current and desired states is a first step towards defining, scoping, implementing and evaluating capacity development interventions.

**Allocating the budget requirements of each capacity development intervention across outcome areas of the LGUs**. The Matrix summarizes the solutions or interventions to be taken to address the capacity and performance gaps identified by the LGUs. One clear indicator of sponsorship for change is the sufficiency in the amount of funding allocated for the installation and implementation of a CapDev intervention. The CapDev Agenda presents a clear alignment of the intervention to targeted performance targets.

**Mapping out a results framework/ monitoring and evaluating the effectiveness of the CapDev interventions.** Targeted levels of results may be culled from the CapDev agenda across levels of results from inputs (the CapDev interventions), outputs, capacity and performance targets. The template may be used as basis for comparing the performance and capacity levels of the LGU at the start and end of a three-year term.

**Generating accountabilities for institutionalizing and reaping the gains of the capacity development intervention.** Process owners and support requirements from internal and external stakeholders are identified per CapDev intervention. These are the people tasked to ensure the sustainable implementation of the reform.

## How do you develop the Capacity Development Agenda Matrix?

### Timeframe
8 hours

### Resources Needed
If you want an efficient electronic documentation of the process:

- Laptop
- LCD
- Capacity Development Agenda Matrix

If you want a more participatory and engaging paper-based documentation of the process:

- metacards
- pentel pens
- manila paper
- masking tape
- scissors

### Instructions

- Group the participants according to the Local Governance Outcome Areas. These are (1) Competitive and Business Friendly LGUs; (2) Environment Protective, Climate Change Adaptive and Disaster Resilient LGUs; (3) Socially Protective and Safe LGUs; (4) Accountable, transparent, participative and effective local governance.
- Organize the Capacity Development Agenda according to Local Governance Outcome Areas;
- For each Outcome area, identify the current and desired performance level. This is captured in the Performance Change Matrix of Step 3. An example is:

| **Outcome Area:** |
| --- |
| Environment Protective, Climate Change Adaptive and Disaster Resilient LGUs |

| Outcome Area Current Performance level: | Outcome Area Goal: |
|---|---|
| • Volume of solid waste dumped at dumpsite is 5MT/day<br>• ___ (#) of household practicing waste segregation<br>• "Huge" waste heaps on the coastline<br>• Low compliance to Environmental Code | **Goals:**<br>• Solid waste dumped in dumpsite reduced by 60% in 3 years<br>**Objectives:**<br>• Households practicing waste segregation increased to _____ %<br>• Waste heaps in the coastline reduced to "none"<br>• Compliance to Environmental Code improved by ____% |

- Fill up the Capacity Development Agenda Matrix using the following easy steps:

1. **Cull the current state of capacity**. This is captured in the Capacity Change Matrix of Step 4;

2. **Cull the desired state of capacity**. This is also captured in the Capacity Change Matrix of Step 4.

3. **Cull the capacity development interventions**. This is also discussed in the Capacity Change Matrix of Step 4.

4. **Identify expected outputs of the intervention**. The output may be a written policy, guideline or procedure reflecting improvements in systems and processes introduced as a result of the CapDev intervention.
5. **Identify** the target individuals, divisions, systems, structures and policies that should be primarily involved in or should be addressed by the proposed capacity of the CapDev intervention.

6. **Identify timeframe of the implementation of the CapDev intervention**. Specify the start and end of completion of each capacity development intervention.

7. **Identify the funding requirements for Year 1**. Refer to Step_5 on Prioritizing CapDev interventions. Choose Year 1 CapDev interventions. In the example below, CD interventions numbers 1-3 are likely to be implemented in Year 1. Identify the financial requirements of Year 1 CapDev interventions.

**Table 7. 2: Sample CapDev Agenda prioritized for Year 1**

| Priority CD Interventions | Timeframe of the CD Intervention | Phase/Year |
|---|---|---|
| **Structure** | | |
| 1. Activation of SWM Board | 3 months | 1st quarter, Year 1 |
| 2. Creation of MENRO | 6 months | 1st quarter, Year 1 |
| **Management systems** | | |
| 3. IEC | 6 months | 2nd quarter, Year 1 |
| **Policies** | | |
| 4. SWM Plan Preparation | 6 months | 3rd quarter, Year 1 |

Determine the funding requirements of each CapDev intervention by identifying the cost items across the phases of project management from planning to implementation to monitoring and evaluation. Below is a sample project cost template.

**Table 7. 3: Sample costing of a project/intervention across the stages of project management cycle**

| Project management phase | CapDev task: Activation of SWM Board | Labor cost | Material cost | Training cost | Total cost |
|---|---|---|---|---|---|
| **Start up and planning** | Agree on structure and roles | Consultant: P10,000/ 8hours | XXX | XXX | P30,000.00 |
| | Complete SWM Plan | Consultant: P10,000/ 8hours | Training Toolkit P1000/participants X 10 participants | XXX | P20,000.00<br>P10,000.00 |
| **Implementation** | Implement SWM plan | | IEC Materials P100/brochure X 1000 copies | | P100,000.00 |
| **Monitoring and evaluation** | Continuous improvement of the SWM Board | | | Webinars on SWM updates XXXX | |
| | | | | | P160,000.00 |

8. **Identify the funding requirements for Year 2**

9. **Identify the funding requirements for Year 3.**

10. **Identify the process owner/office responsible**. The process owner owns the process that is being improved. He or she maximizes high level process performance by driving the desired level of quality, efficiency and flexibility of the improved system or process.

11. **Identify the source of support or technical assistance for each intervention.** This refers to stakeholders who can provide the support in the installation, implementation or institutionalization of the change.

    Below are examples of stakeholders whose support may be needed in the implementation of a CapDev intervention.

    - Change sponsor – a senior officer in the organization who has a strong personal commitment to the success of the program; Accountable for making change happen;
    - Steering Committee - share overall responsibility for the success of the project with the Project Sponsor; represents the key stakeholders and reviews regularly the progress of the project.
    - Middle Managers - responsible for supporting and communicating change initiatives and allocating the resources required within their area of control.
    - Supervisors - Frontline supervisors and team leaders are the face of the organization to employees and serve a critical role in supporting, consoling and coaching employees throughout the change process.
    - Process owners- people who work on the process being improved;
    - Change Recipient – groups or people who will use the product or service of the process or project; they are expected to behave differently to achieve targeted outcomes of the change initiative.
    - External Service providers-external units/groups to the DILG/LGUs who can provide technical assistance e.g. Local Research Institutes;
    - Internal Service providers- internal units/groups to the DILG/LGUs who can provide technical assistance e.g. Local Government

Regional Resource Centers, Local Government Academy, Bureau of Local Government Development.

Below is an example of a CapDev Agenda for an outcome area.

**Table 7. 4 : Sample CapDev Agenda on Environment Protective, Climate Change Adaptive and Disaster Resilient LGUs**

**Outcome Area:**
Environment Protective, Climate Change Adaptive and Disaster Resilient LGUs

**Outcome Area Current Performance level:**
- Volume of solid waste dumped at dumpsite is 5MT/day
- ___ (#) of household practicing waste segregation
- "Huge" waste heaps on the coastline
- Low compliance to Environmental Code

**Outcome Area Goal:**
**Goals:**
- Solid waste dumped in dumpsite reduced by 60% in 3 years

**Objectives:**
- Households practicing waste segregation increased to _____ %
- Waste heaps in the coastline reduced to "none"
- Compliance to Environmental Code improved by ____%

| Current state of capacity | Desired state of capacity | Capacity Development Interventions | Expected Output | Target of CapDev | Time Frame | Funding Requirements | | | Process owner/ Office responsible | Source of support/ Technical Assistance |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | Yr 1 | Yr 2 | Yr 3 | | |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 |
| **Structure** | | | | | | | | | | |
| ESWMB organized but not functional | Functional ESWMB with regular meetings and proper coordination | Activation of SWM Board | Memo of Understanding defining roles of the SWM Board | Members of the SWMB | 3 mos | P30K | | | Environment Officer or Designate or the MPDC | DILG-MLGOO, LGRRC, or DENR-EMB Regional Office |
| MENRO and staff are all designates<br>- Operational strategy half-baked<br>- Inadequate service delivery | MENRO appointed with office and personnel<br>- Operational strategy are in place<br>- Service delivery very satisfactory | Appointment of MENRO and staff<br>- Provision of budget<br>- Strategic planning<br>- Team and commitment building<br>- Regular meetings<br>- Formulate SWM plan | MENRO created | MENRO | 1 year | 100K | | | Office of the Mayor, SB | DILG, MLGOO (TA) |
| **Enabling policies** | | | | | | | | | | |
| Absence of environmental ordinance and SWM Plan<br>- No blueprint for program implementation<br>- No basis for collection<br>- No M&E | Environmental ordinance and SWM Plan formulated, passed and enacted | Coaching on SWM formulation | SWM Plan | MPDC, MENRO, SWMB | 6 mos | P30k | | | Environment Officer/Designate, or the MPDC | DILG-MLGOO, LGRRC, or DENR-EMB Regional Office, NSWMC |
| | Increased level of awareness | IEC completed | IEC to increase | MPDC | 6 mos | P100 K | | | Public Informa-tion | DILG-MLGOO, |

| Current state of capacity | Desired state of capacity | Capacity Development Interventions | Expected Output | Target of CapDev | Time Frame | Funding Requirements | | | Process owner/ Office responsible | Source of support/ Technical Assistance |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | Yr 1 | Yr 2 | Yr 3 | | |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 |
| | of the community | | level of awarenes s of the communit y on SWM | | | | | | Office | DENR-EMB |

# step8

Integrating the CapDev Agenda in the CDP/ELA

developing the CapDev agenda

## Step 8: Integrate the CapDev Agenda in the CDP/ELA

With CapDev Agenda completed, it needs to be incorporated into the CDP/ELA. The outputs in the previous steps will form part of the CDP/ELA report. In addition, the CapDev Agenda needs to be embedded in the steps in the CDP/ELA, specifically on "popularizing the ELA" and "managing and sustaining the ELA implementation."

### Q&A How do you integrate the Capacity Assessment and CapDev Agenda in the CDP/ELA report?

The various analyses that were done, particularly in Steps 3, 4 and 8 will serve as content or inputs to particular sections of the CDP/ELA. Figure 8-2 shows the typical format of the CDP/ELA. The sections where information generated by the capacity assessment and CapDev agenda formulation process will be plugged in are marked A, B, C and D.

### Q&A How do you popularize the CapDev Agenda, and manage and sustain its implementation?

Since the CapDev Agenda is an integral part of the CDP/ELA, it is included in following steps in the CDP/ELA process:

- Communicate and disseminate to stakeholders to "enlist their support… and promote transparent and accountable governance. It is also a means to encourage meaningful participation of stakeholders in the local development process."
- Sustain the momentum of implementation through a performance management system that will track the progress of ELA implementation and its impact in addressing the priority concerns of the broader community. The monitoring and evaluation of the CapDev Agenda should be part of this system.

Figure 8 - 1. Capacity Development Agenda Formulation Process – STEP 8

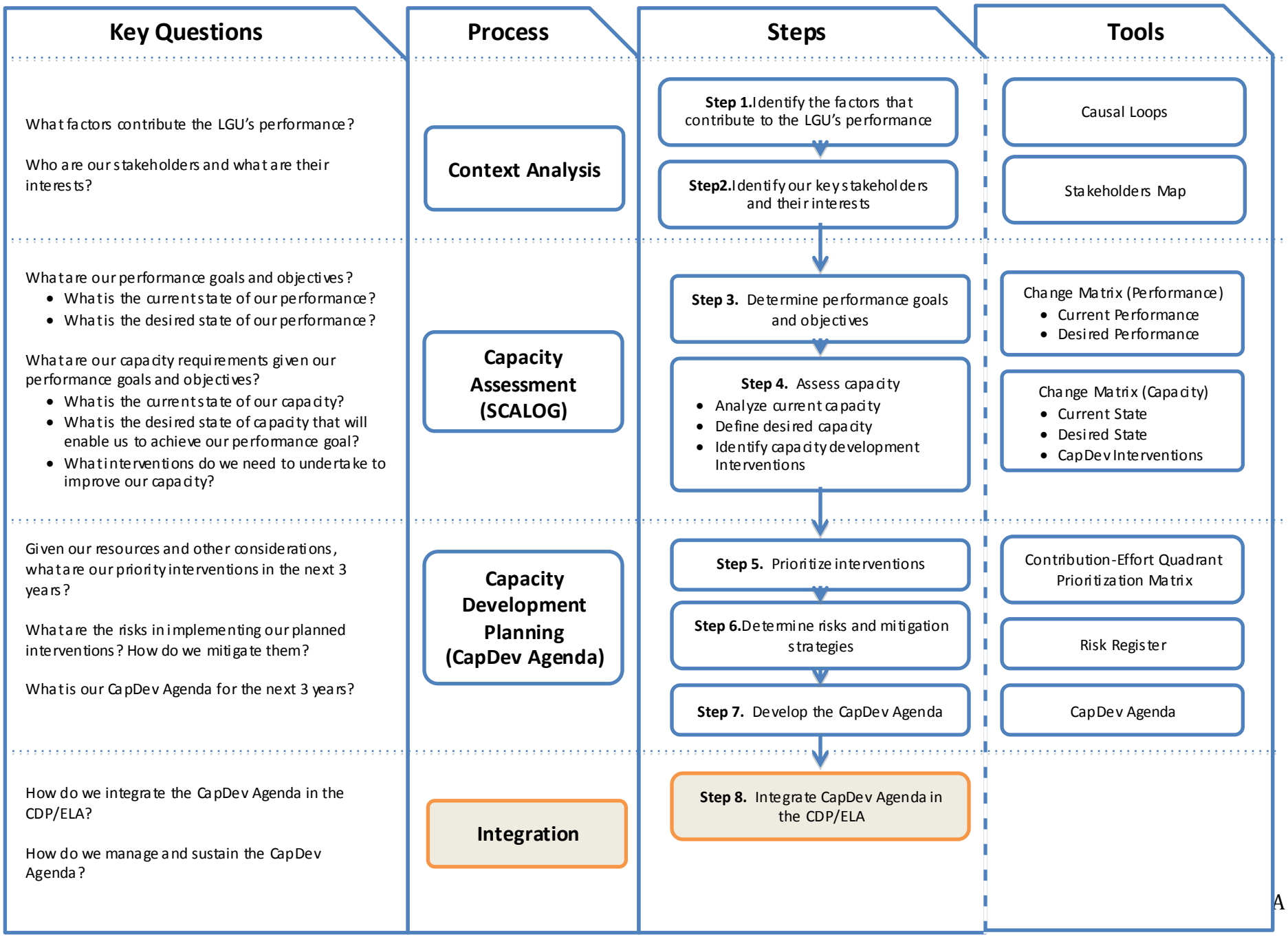
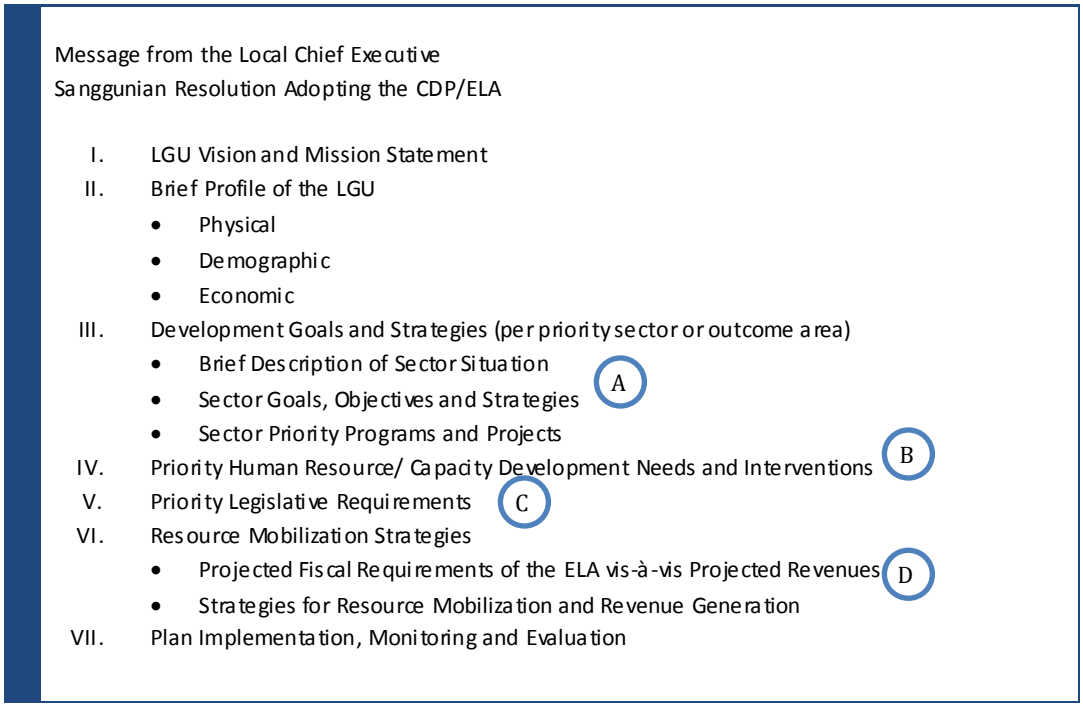


**Figure 8 - 2. Format of the CDP/ELA**




A **Sector Goals, Objectives and Strategies** – The **Performance Change Matrix** from Step 3 can serve as input to this section of the CDP/ELA

B **Priority Human Resource/ Capacity Development Needs and Interventions** – The **Capacity Change Matrices** of the different priority outcome areas produced in Step 4 and the **CapDev Agenda** in Step 7 will be the content of this section of the CDP/ELA.

C **Priority Legislative Requirements** – The needed legislative measures may have been identified in the **Capacity Change Matrices**, particularly in the pillars on **Enabling Policies** and **Structure** (and possibly other pillars) should be included in this section of the CDP/ELA.

D **Projected Fiscal Requirements of the ELA vis-à-vis Projected Revenues** – The **CapDev Agenda**, particularly the information on **Funding Requirements** are incorporated in the projected fiscal requirements of the CDP/ELA.

# Annex 1: CapDev Agenda Formulation Tools:

### Step 2: Stakeholder Map

| Group | Interest in Issue | Influence/ Resources | Mobilization Capacity | Position in Issue | Action needed with this stakeholder group |
|---|---|---|---|---|---|
| | | | | | |
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### Step 3: Performance Change Matrix

| CHANGE MATRIX | |
|---|---|
| PERFORMANCE Area: | |
| Current State | Desired State |
| Sub-sector: | |
| | |
| Sub-sector: | |
| | |

### Step 4: Capacity Change Matrix

| CHANGE MATRIX | |
|---|---|
| PERFORMANCE Area | |
| Current State | Desired State |
| Sub sector area | |
| | |

| | CAPACITY | |
|---|---|---|
| Current State | Desired State | Intervention |
| Structure | | |
| | | |
| Competencies | | |
| | | |
| Management Systems | | |
| | | |
| Enabling Policies | | |
| | | |
| Knowledge and Learning | | |
| | | |
| Leadership | | |
| | | |

### Step 5: Priority Matrix

| CHANGE MATRIX | |
|---|---|
| PERFORMANCE Area | |
| Current State | Desired State |
| Sub sector area | |
| | |

| Capacity | | | Level of contribution | | | Level of effort | | | Quick wins/Major project? Fill-ins? Thankless tasks |
|---|---|---|---|---|---|---|---|---|---|
| Current State | Desired State | Intervention | H | M | L | H | M | L | |
| *Structure* | | | | | | | | | |
| | | | | | | | | | |
| *Competencies* | | | | | | | | | |
| | | | | | | | | | |
| *Management Systems* | | | | | | | | | |
| | | | | | | | | | |
| *Enabling Policies* | | | | | | | | | |
| | | | | | | | | | |
| *Knowledge and Learning* | | | | | | | | | |
| | | | | | | | | | |
| *Leadership* | | | | | | | | | |
| | | | | | | | | | |

### Step 6: Risk Register

| CHANGE MATRIX | |
|---|---|
| **PERFORMANCE Area** | |
| **Current State** | **Desired State** |
| **Sub sector area:** | |
| | |

| **CAPACITY** | | | **Level of contribution** | | | **Level of effort** | | | Quick wins/ Major project? Fill-ins? Thankless tasks | Risk definition | Intersity | Mitigation needed | Risk owner |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Current State** | **Desired State** | **Intervention** | **H** | **M** | **L** | **H** | **M** | **L** | | | | | |
| *Structure* | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| *Competencies* | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| *Management Systems* | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| *Enabling Policies* | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| *Knowledge and Learning* | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| *Leadership* | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |

### Step 7: CapDev Agenda

| CHANGE MATRIX | |
|---|---|
| PERFORMANCE Area | |
| Current State | Desired State |
| Sub sector area: | |
| | |

| Current State Of capacity | Desired State of capacity | Intervention | Expected output | People who will be involved in the interventions | Time frame | Funding requirements Year 1 | Funding requirements Year 2 | Funding requirements Year 3 | Process owner | Support needed from whom |
|---|---|---|---|---|---|---|---|---|---|---|
| *Structure* | | | | | | | | | | |
| | | | | | | | | | | |
| *Competencies* | | | | | | | | | | |
| | | | | | | | | | | |
| *Management Systems* | | | | | | | | | | |
| | | | | | | | | | | |
| *Enabling Policies* | | | | | | | | | | |
| | | | | | | | | | | |
| *Knowledge and Learning* | | | | | | | | | | |
| | | | | | | | | | | |
| *Leadership* | | | | | | | | | | |
| | | | | | | | | | | |

# Annex 2: Menu of OD interventions

Types of interventions and organization levels OD and Change, Cummings and Worley, 2009

| Interventions | Indi'l | Group | Org | Description |
|---|---|---|---|---|
| 1. Human Process Interventions | | | | • These processes include communication, problem solving, group decision making and leadership;<br>• Deeply rooted in the history of OD;<br>• Derived mainly from the disciplines of psychology and social psychology and applied fields of group dynamics and human relations;<br>• Practitioners applying these interventions generally value human fulfilment and expect that organizational effectiveness springs from improved functioning of people and organizational processes. |
| A. Inter-personal relationships and group dynamics | | | | |
| 1.1. Process consultation | | X | | • Focuses on interpersonal relations and social dynamics occurring in work groups;<br>• Helps group members diagnose group functioning and devise appropriate solutions to process problems e.g. dysfunctional conflict, poor communication, ineffective norms;<br>• Aim is to help members gain the skills and understanding necessary o identify and solve problems themselves. |
| 1.2. Third party intervention | X | X | | • Form of process consultation aimed at dysfunctional interpersonal relations in organizations;<br>• The third party intervener helps people resolve conflicts thru problem solving, bargaining and conciliation. |
| 1.3. Team building | | X | | • This intervention helps work groups become more effective in accomplishing tasks.<br>• Helps members diagnose group processes and devise solutions to problems.<br>• Goes beyond group processes because the intervention includes examination of groups task, member roles and strategies for performing tasks;<br>• Consultant may function as RP offering expertise related to the group tasks. |
| B. System-wide human process interventions | | | | |
| 1.4. Organization confrontation meeting | | X | X | • This change method mobilizes organization members to identify problems, set action targets and work on problems;<br>• Applied when organizations are experiencing stress and when management needs to organize resources for immediate problem solving;<br>• Intervention includes various groupings of employees across the organization in identifying and |

| Interventions | Indi'l | Group | Org | Description |
|---|---|---|---|---|
| | | | | solving problems. |
| 1.5. Inter-group relations interventions | | X | X | • Designed to improve interactions among different groups or departments in organizations;<br>• The inter-group conflict model typically involves a consultant helping two groups understand the causes of their conflict and choose appropriate solutions; |
| 1.6. Large group interventions | | | X | • Involve getting a broad variety of stakeholders into a large meeting to clarify important values, develop new ways of working, articulate a new visions for the organization or solve pressing organizational problems and opportunities and specifying valued directions for future actions; |
| 2. Techno-structural interventions | | | | • These interventions focus on organizations technology (tasks methods and job design) and structure;<br>• These include approaches to employee involvement as well as methods for designing organizations, groups and jobs;<br>• Rooted in the disciplines of engineering, social psychology, sociology and applied fields of organizational design;<br>• Practitioners stress productivity and human fulfilment and expect organization effectiveness will result from appropriate work designs and organization structures. |
| 2.1. Structural design | | | X | • This change process concerns the organization's division of labor-how to specialize task performances;<br>• Interventions aimed at structural design include moving from traditional (e.g. functional and matrix structures) to more integrative and flexible forms (e.g. process-based, customer –centric and network-based structures;<br>• Diagnostic guidelines exist to determine which structure is appropriate for particular organizational environments, technologies and conditions; |
| 2.2. Downsizing | | | X | • This intervention reduces costs and bureaucracy by decreasing the size of the organization through personnel layoffs, redesign and outsourcing;<br>• Must be planned with a clear understanding of the organization's strategy; |
| 2.3. Reengineering | | X | X | • Radically redesigns the organization's core work processes to create tighter linkage and coordination among the different tasks;<br>• This workflow integration results in faster, more responsive task performance<br>• Often accomplished with new information technology that permits employees to control and coordinate work processes more effectively |
| 2.4. Parallel structures | | X | X | • Involves members in resolving ill-defined, complex problems and build adaptability into bureaucratic organizations;<br>• Also known as collateral structures, dualistic structures or shadow structures, parallel structures work in conjunction with formal organization; |

| Interventions | Indi'l | Group | Org | Description |
|---|---|---|---|---|
| | | | | • Provide members with alternative settings in which to address problems and propose innovative solutions from existing structures and culture;<br>• Two common parallel structures are the cooperative union management projects and quality circles. |
| 2.5. Total quality management | | X | X | • More comprehensive than parallel structures;<br>• Also known as comprehensive process improvement, lean and six sigma;<br>• Represents a long term effort to orient all of an organization's activities around the concept of quality;<br>• Interventions subsumed under TQM are the Malcolm Baldridge Award, Philippine Quality Award System where organizations are awarded for achievement along 7 dimensions e.g.: Leadership, strategic planning, customer and market focus, measurement, analysis and knowledge management, human resource focus, process management and business results. |
| 2.6. High involvement organization | X | X | X | Designed with features congruent with each other such as:<br>• Flat, lean organization structures<br>• Job designs that provide employees with high levels of discretion, task variety and meaningful feedback<br>• Open information systems that are tied to jobs or work teams which provide information for employees to participate meaningfully in decision making;<br>• Career systems that provide different tracks for advancement and counselling to help people choose appropriate paths<br>• Selection of employees for HIO through a realistic is improved through a realistic job preview providing information about what it will be like to work in such situations,<br>• Training employees for the necessary knowledge and skills to participate effectively in decision making<br>• Reward systems- rewards are based on acquiring new skills as well as sharing gains from improved performance<br>• Policies are reasonable and give the employees the impression that the firm is committed to their long term development;<br>• Physical layouts- support team structures that reduce status differences among employees reinforces egalitarian climate; |
| 3. Human resources management | | | | • Focuses on interventions used to develop, integrate and support people in organizations;<br>• These include career planning, reward systems, goal setting, performance appraisal. |
| 3.1. Goal setting | X | X | | • Involves setting clear and challenging goals; |
| 3.2. Performance appraisal/PMS | X | X | | • Is a systematic process of jointly assessing work related achievements, strengths and weaknesses; |

| Interventions | Indi'l | Group | Org | Description |
|---|---|---|---|---|
| installation | | | | |
| 3.3. Reward systems | X | X | | • Involves the design of organizational rewards to improve employees satisfaction and performance; |
| 3.4. Coaching and mentoring | X | | | • Helps managers and executives to clarify their goals, deal with potential challenges and improve their performance; |
| 3.5. Career planning and development | X | | | • Helps people choose organizations and career paths and attain career objectives |
| 3.6. Management & leadership development | X | | | • Training and development intervention increase organizations skills and knowledge;<br>• Focus is on building the competencies needed to lead the organization; |
| 4. Strategic interventions | | | | • Interventions that link the internal functioning of the organization to the larger environment and transform the organization to keep pace with challenging conditions. |
| 4.1. Integrated strategic change | | | X | • Describes how planned change can make a value added contribution to strategic management;<br>• The strategic plan helps members manage the transition between a current strategy and organization design and the desired strategic orientation. |
| 4.2. Organization design | | | X | • Addresses the organizations architecture or extent to which the structure, work design, human resource practices and management and info systems are in alignment with each other. |
| 4.3. Culture change | | | X | • Helps organizations develop cultures appropriate to their strategies and environments; |
| 4.4. Self-designing organizations | | X | X | • Helps organizations gain the capacity to alter themselves;<br>• Highly participative process involving multiple stakeholders in setting strategic directions and designing and implementing appropriate structures and processes |
| 4.5. Organization learning and knowledge management | | X | X | • Describes two interrelated change processes: Organization learning which seeks to enhance an organizations capacity to acquire and develop new knowledge and knowledge management, which focuses on how that knowledge can be organized and used to improve organization performance. |
| 4.6. Built to change | | | X | • This approach to continuous change challenges traditional design principles that view stability and equilibrium as the keys to success;<br>• Assumes that the source of effectiveness is the ability to change continuously |
| 4.7. Strategic alliance interventions | | | X | • Helps separate organizations pursue a set of common goals through the sharing of resources, e.g. intellectual property, people, capital, technology |
| 4.8. Network interventions | | | X | • Helps develop relationships among three or more organizations to perform tasks or solve problems that are too complex for single organizations to solve |