

Implementation Tips for USAID Partners

Sharing Resources and Knowledge Among the Global CSO Community

Inclusive Development 17 | 2020

Definitions

CBLD-9 Indicator: Standard foreign assistance indicator to measure “Percent of USG-assisted Organizations with Improved Performance.” (See separate text box.)

Indicator: A quantifiable measure of a characteristic or condition of people, institutions, systems, or processes that may change over time.

Output Indicator: An indicator that captures the immediate result of an activity. “Number of people trained” is an example of an output indicator.

Outcome indicator: An indicator that measures longer-term change, such as in effectiveness or partnership building. “Percent of organizations with a 1/3 increase in funding” is an example of an outcome indicator.

SMART: Specific, Measurable, Achievable, Relevant, and Timebound

Capacity 2.0

Capacity 2.0 focuses on adaptive capabilities through nonlinear approaches, networking and strategic partnering, shared ownership, learning through experimentation and feedback, data-driven decision making, and a focus on leveraging and developing capacity at the systems levels, not just at the organizational ones.

Source: USAID Learning Lab

Civil Society Capacity Building Indicators

Q What indicators can be used to measure progress on capacity building for organizational development of civil society organizations (CSOs)?

A A large variety of tools and approaches are available to measure the impact of civil society capacity-building initiatives focused on organizational development. However, identifying indicators that adequately capture desired changes can be challenging. There is no one “right” set of indicators to measure change across areas of organizational development, nor is there one “right” way to adapt existing indicators. This *Implementation Tip* is a guide to different types of indicators that might be used to measure capacity at each of the three stages of organizational maturity and considerations for indicator development (see Table 1). It builds on the 2018 publication, *Capacity Development Interventions: A Guide for Program Designers*.¹

What should indicators measure?

Indicators for capacity-development interventions have traditionally focused on the *output level* associated with organizational development as defined in organizational capacity assessment tools. These may include increased knowledge and skills, changes in organizational structure, and adoption of new policies and procedures. However, this approach measures only the first steps towards organizational change. *Performance measurement*, on the other hand, addresses an organization’s ability to achieve its targets, learn, and adapt—to sustain itself within a changing context.² For example, is the organization able to earn more business because of their increased capacities, are they able to expand their service offerings, or can they win contracts by themselves rather than being a subcontractor? The targets and goals of each organization are different, but these are some examples of performance measurement. The assumption is that increasing institutional capacity will result in improved performance outcomes.³ Output-level indicators are important and feed into performance-level outcomes. But outputs should not be the only indicators of capacity-building efforts for organizational development;

1 USAID, [Local Capacity Development Suggested Approaches](#)

2 USAID, [Local Capacity Development Suggested Approaches](#)

3 Dubois, et al, [The Organizational Performance Index: A New Method for Measuring International Civil Society Capacity Development Outcomes](#)

Resources

- [Capacity Development Interventions: A Guide for Program Designers](#)
- [World Bank Institute's The Capacity Development Results Framework](#)
- [International NGO Training and Research Centre's Tracking Capacity Change](#)
- [United Nations Development Programme's Measuring Capacities: An Illustrative Catalogue to Benchmarks and Indicators](#)
- [USAID Learning Lab's Organizational Performance Index Measurement Tool](#)
- [USAID Learning Lab's Organizational Capacity Assessment \(to be used only to facilitate processes that catalyze a partner to take action toward improving its capacity, not to measure changes in capacity\)](#)

For More Information

For this or other issues of Implementation Tips, please visit [NGOConnect.net](https://ngoconnect.net).

The Web site is a dynamic and interactive portal dedicated to connecting and strengthening CSOs, networks, and CSO support organizations worldwide.

Funding for this publication was provided by the U.S. Agency for International Development, under the Strengthening Civil Society Globally (SCS Global) Leader Award. Its contents, managed by SCS Global, do not necessarily reflect the views of USAID or the U.S. Government.

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output indicators are less important than outcome indicators and the causal chain from outputs to outcomes is in fact tenuous. The “so what” of any capacity development effort is that it improves outcomes, not outputs.

Donors may provide standard indicators of organizational development for reporting purposes. However, customized indicators that reflect CSO buy-in and alignment with the organization's own level of development are critical. Actively involving CSOs in developing their own indicators of success, reflecting CSOs' own goals, increases CSO ownership and improves the chances they will be met. Indicators for your organization's capacity development initiative should be adapted to reflect the change(s) your organization seeks.

Organizations in different stages of maturity may have different indicators. While nascent organizations may focus on output indicators emerging and mature organizations will focus more on indicators that assess their ability to measure and inform intervention strategies and their ability to address underlying causes of problems when developing interventions.⁴ Mature organizations will also prioritize strong coordination and collaboration, including inter-organizational measurement.

First, identify what change you want to see in your organization and frame it as a goal or outcome. Then search for existing indicators (such as donor-required indicators) related to this goal or outcome (see Resources for ideas) and adapt those to the specific change(s) you want to see in your organization. Consider your organization's level of maturity to help select and develop indicators that will create a basis for realistic expectations around capacity development and suggest feasible benchmarks.

How to Use USAID's CLBD-9 Indicator

All USAID Missions whose work includes strengthening capacity of local organizations are “Required as Applicable” to set targets and report on CBLD-9. Steps to use CLBD-9 include the following:

1. Define performance improvement priorities with the partner organization (and its stakeholders).
2. Analyze and assess gaps between current and desired performance.
3. Select and implement solutions that contribute to performance improvement.
4. Monitor and measure change in performance.

4 FHI 360, Social Impact, and USAID, [Capacity Development Interventions: A Guide for Program Designers](#)

SCS Global thanks Consortium Partner Social Impact for drafting the content for this Implementation Tip.

Potential indicators of capacity building for organizational development

The table on p. 3 provides examples of indicators (both output and outcome) to measure progress of capacity-building efforts across the three stages of organizational maturity. This is not an exhaustive list of indicators (or related resources), but rather provides examples for identifying and then tailoring output and outcome indicators to specific capacity-building interventions. The list starts with indicators geared more towards nascent organizations at the top and then to

indicators geared towards more mature organizations as you move down the list. Indicators may measure changes at the individual level, all the way up to the system level—depending on an organization’s objectives for change and its capacity- building strategy. See [Capacity Development Interventions: A Guide for Program Designers](#) for a full set of suggested skillsets for each stage of organizational maturity.

Organizations at all stages of development should consider using the Organizational Performance Index (OPI) measurement tool, which measures organizational *performance* (or outcomes) across four domains—effectiveness, efficiency, relevance, and sustainability—at any stage using a four-tier scale.⁵ It has been validated and endorsed by USAID (See Resources).

Table 1: Indicator Examples Across the Organizational Maturity Spectrum

DOMAIN	POTENTIAL INDICATORS	DESCRIPTION	EXAMPLES OF TAILORING
Financial Management	Internal and external auditing of the financial management process is happening according to agreed schedule (World Bank).	This indicator measures a key part of a strong financial management system.	# of finance employees trained annually to conduct internal audits (output) % of annual internal audits that happen according to schedule (output but could be compared across years to show change)
Performance Management Systems	Service delivery standards/ targets are established (NGO Connect, 2018).	This indicator measures an organization’s ability to measure the performance of an intervention.	% of programs with established service-delivery standards based on best practices before intervention is implemented (output)
Strategic Thinking, Strategic Planning	Organization proactively scans its internal and external environments for relevant innovations to improve its processes, products, and strategies (World Bank).	This indicator measures one activity organizations can engage in to continuously improve strategy.	% of annual strategy updates influenced by new innovations identified through employee contact with external partners (outcome)
Effectiveness (OPI) ⁶	Organization measures and analyzes outcome-level results to best serve beneficiaries (OPI Index).	This OPI Index indicator is a sub-domain of the program effectiveness criterion that can be measured using the OPI Index Guide (see Resources).	% of outcome-level targets for programs and services that are met by the end of the program (outcome)
Policies, Laws, and Regulations	New policies and strategies are implemented (NGO Connect, 2018).	This indicator measures the extent to which policies or strategies that are adopted are then implemented.	% of new community engagement strategies that are implemented across programs within two months of adoption (output)

⁵ Dubois, et al, [The Organizational Performance Index: A New Method for Measuring International Civil Society Capacity Development Outcomes](#)

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