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Institutional Analysis Toolkit for Safety Net Interventions

Inke Mathauer

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INSTITUTIONAL ANALYSIS TOOLKIT

FOR SAFETY NET INTERVENTIONS

Institutional Assessment

Institutional Design

Institutional Capacity Strengthening

Inke Mathauer

August 2004

**HDNSP
World Bank**

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PART I: TOOLKIT RATIONALE

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Safety Nets are defined as mechanisms that mitigate the effects of poverty and other risks on vulnerable households. Risks can be temporary or permanent, and they can also be idiosyncratic, affecting specific households (such as illness or death of a breadwinner), or covariate, impacting communities and countries (like drought and shift in terms of trade). Various safety nets instruments tackle these risks, including private or informal mechanisms, for instance when households support each other through hard times with cash, food, or labor. Others are formal programs run by governments and others that aim to provide additional income or in-kind help to vulnerable households¹.

In the wake of the economic crisis in the late 1990s and the adjustments that followed, safety nets have experienced renewed interest. Yet, often, those countries that are most in need of safety nets (i.e., those with low per capita incomes and very large population who is poor) are the ones that can least afford them and that have the least capacity to implement safety nets interventions. The spectrum of safety nets options is wide, and in reality, prioritizing safety nets strategy is not just a technical decision, but also the reflection of the political economy situation. Though safety net interventions vary from one country to the other, all relate to the effectiveness and efficiency of their safety net interventions, which are assessed on their outcome indicators such as accessibility, coverage, targeting, and the actual benefit. All of these elements are highly dependent upon the institutional and organizational design and environment of the programs.

In fact, it has been recognized that an effective institutional design is crucial to the success of any program or project. This is particularly true for the multisectoral ones, such as safety net interventions, that do not have “one” natural home or that are set up on an ad-hoc basis after a crisis; thus the need for a specific safety nets institutional assessment-design-capacity strengthening toolkit.

This institutional analysis tool kit is applicable to the core safety nets interventions. Broader schemes—such as credit, income generating, and labor market programs—are not included here, since they constitute components of a broader development strategy.² Neither does the toolkit address informal safety net mechanisms (e.g., private remittances), as institutional capacity strengthening is not critical for informal private safety net activities.³

¹ Refer to the [Safety Nets Website](#) of the World Bank, for a more in-depth discussion on safety nets.

² While the toolkit does not spell out the specific goods characteristics for these services, it can still be applied in part to such programs.

³ This is not to say that being aware of the extent and scope of informal private remittances is not important. Safety net experts have to estimate the crowding out impact of informal interventions on formal safety net activities. Fostering private remittances and other informal safety net activities also touches upon institutional issues (e.g., money transfer laws, incentive-based regulation, taxing), but the toolkit does not delve into such analysis.

Toolkit's Organization: The toolkit is organized as follows. The remainder of Part I outlines the toolkit's objectives and scope (**Section 1**). **Section 2** elaborates on the role of institutions and organizations as well as the rationale and the importance of institutional and organizational capacity strengthening. **Section 3** notes the limits of institutional and organizational capacity strengthening. **Section 4** sketches out the specific goods characteristics of safety net interventions, followed by an overview of the toolkit (**Section 5**). **Section 6** describes how to apply the toolkit. Finally, **Section 7** summarizes the logic and steps of the toolkit indicating how institutional design and institutional-organizational capacity strengthening follows from the institutional assessment.

Part II comprises of the three tools:

1. Institutional Assessment key questionnaire,
2. Institutional Design key questionnaires, and
3. Examples on how to strengthen institutional and organizational capacity.

Annex 2 provides a case study to illustrate the toolkit's application and information requirement.

Users who would like to directly apply the toolkit and not spend too much time on the theoretical underpinning can directly go to **Sections 5 and 6**, or to the actual Toolkit in **Part II**.

Box 11 provides valuable filtering instructions.

1. The Toolkit's Objectives, Objects and Scope

With growing recognition of the importance of institutions (cf. OED 1999), World Bank staff has developed a series of institutional assessment toolkits (for aspects such as service delivery constraints, country policy and institutional assessment, education, and nutrition).⁴ This particular toolkit has been developed for the safety net thematic group to take account of its specific service characteristics, activities and the complex institutional setup of safety net systems. The toolkit's focal elements are given in Box 1.

Box 1: The focal elements of a safety nets institutional analysis

This toolkit provides a guideline on how to undertake an institutional capacity assessment for the following elements:

1. **A country's overall formal safety net system and related actors;**
2. **A safety net program/project, or components already in existence; or**
3. **A program/project in the process of being designed, which encompasses a safety net component or intervention.**

⁴ See www.worldbank.org/prem/ps/iiamarketplace.nsf., Girishankar 2000, Manning 2000, Orbach 2000, and Mathauer 2001.

The **objective of an institutional analysis** of a safety net system or program is thus to diagnose institutional challenges and bottlenecks and to propose solutions to enable a better outcome. The objectives of an institutional analysis are further elaborated in Box 2.

Box 2: Main objectives of an institutional analysis

1. To analyze the prevailing situation—that is, to find out which organization(s) could best deliver services or interventions effectively and efficiently, by understanding the (potential) institutional and organizational setup(s) and by assessing which institutions and institutional linkages as well as organizational factors are critical to successful service delivery. This also includes the analysis of the policy making and coordination processes;
2. To propose the most appropriate institutional arrangement(s)—that is, to ensure that the proposed institutional and organizational setup(s) required for the system, the program/project, or the specific intervention(s) to function effectively and efficiently will indeed be possible in the given country and context; and
3. To develop measures to help build the requisite capacities for the organization(s) and actor(s) involved, in order to ensure a functioning institutional set-up.

Accordingly, this toolkit provides key questions for assessing the institutional and organizational capacity – including (financial) resource adequacy – of safety net systems and actors given the existing or planned safety nets activities and programs (Tool 1: **Institutional Assessment**).

On the basis of the institutional assessment (Tool 1), the respective necessary actions and steps for institutional (re)design can be developed by means of another set of key questions (Tool 2: **Institutional Design**).

Finally, suitable approaches to institutional capacity strengthening for effective program delivery can be derived by using the final toolkit which outlines a wide range of capacity strengthening activities (Tool 3: **Institutional Capacity Strengthening**).⁵

As mentioned previously, the focus of the toolkit is on the institutional and organizational capacity of the major components of formal safety nets interventions⁶. This toolkit chooses to be comprehensive as a result, it tends to be more general than one that only looks at one specific issue or intervention. It is thus intended to be used as a guide and does not strictly outline each

⁵ The study of institutions also involves the study of organizations (see Section 2).

⁶ These include cash and in-kind transfers, public works, and waiver programs for basic social services. Informal mechanisms, which are not included in this toolkit, are private transfers amongst households and communities. Such private transfers and remittances play a crucial role in cushioning poverty, and it is important to know about their scale and nature in order not to crowd them out by formal safety net interventions of public, voluntary, and other formal nature.

methodological step as a concrete application (see also Section 5 on toolkit application). Box 3 summarizes what the toolkit can do and its limitations.

Box 3: What the toolkit can do and its limitations

The toolkit provides key questions on issues of institutional and organizational capacity in order to (i) better understand the causes of poor performance of a program from an institutional point of view, and (ii) propose the optimal institutional arrangements for existing or planned programs. In fact, one may glean further insights to outcome problems through a detailed institutional analysis that goes down to the local level, and propose solutions. More so, an institutional analysis may reveal that a safety net strategy is inadequate in the given context. Thus, the toolkit sheds light on key performance issues, such as staffing and skills, staff incentives, service delivery procedures, accountability mechanisms and incentives, supervision structures, and interorganizational relations.

The toolkit does not provide a guideline on which safety net component or intervention to choose for a particular country. This requires complementary analytical work by safety net specialists.⁷ Building on the safety net expert's analyses (for instance, regarding targeting mechanisms, cost-effectiveness and coverage of various options, and political-economic analysis), the institutional analyst assesses which institutional alternatives and options are most viable from an institutional point of view. This includes evaluating whether the suggested institutional design is conducive to program performance and outcome, and whether the involved actors have the necessary institutional and organizational capacity and what kind of support they need. It also entails evaluating (or anticipating) whether the existing (or proposed) institutional design is in line with the prevailing inter-organizational relations and with locally accepted and legitimized institutions and norms.

The toolkit cannot provide detailed guidelines on situation, program and country-specific guidance, since this is best undertaken by the safety nets team. For example, the toolkit suggests checking whether program structures and components or procedures are redundant, but it cannot tell whether a particular structure is redundant, as that is very context-specific. However, inference can be made from countries with a similar set of problems, providing some further guidance. With a large enough stock of categorized empirical evidence and examples,⁸ we could derive more general guidelines, but a final empirical verification is required on the ground as to their validity.

2. The Case for Strengthening Institutional and Organizational Capacity

Definition of institutions and organizations

Institutions can be understood as “formal and informal rules, enforcement characteristics of rules, and norms of behavior that structure repeated human interaction through constraints, incentives and enhancement” (North 1990: 131). These human interactions occur between individuals, within organizations, and between organizations. Institutions as “rules of the game” can restrain or induce people and organizations to do certain things. As institutions shape and influence the behavior of individual organizational actors, they also affect the functioning of organizations, thus determining the level of performance.

Organizations, can then be defined as social systems that have been actively established to pursue specific aims and objectives (Hill et al. 1989: 24-25). Organizations comprise of players that are

⁷ A Social Safety Net Assessment Tool had been developed (Proposal, World Bank 1999). It must be noted, however, that safety net issues or a political economy analysis are inherently about institutions as well, for instance when asking which stakeholders may resist the introduction of a specific program, or which actors have incentives to support a program.

⁸ Such a categorization is based on the following question: What is most functional under what circumstances?

guided by, and shape these rules. Organizations are thus the manifestation of both formal and informal institutions (see Box 4). For example, an organization’s internal rules deal with personnel, budgets, procurement, and reporting procedures, thereby constraining the behavior of their members (Burki/Perry 1998: 11). As is clear from the above, institutions and organizations are closely interrelated—organizations cannot be conceptualized without institutions.

Box 4: Formal versus informal institutions

Organizations and individuals pursue their interest within an institutional framework defined by *formal rules* (e.g., constitutions, laws, regulations, contracts) and *informal rules* (e.g. ethics, trust, religious precepts, and other implicit codes of conduct). Compliance with these norms and rules of behavior is ensured through incentives and sanctions. Additional focus needs to be given to specific patterns of *informal institutions*, which constitute social order and (political) culture, in which organizations are embedded, whereby informal institutions may support or subvert formal institutions within a given context. Informal institutions have thus a major effect on how an organization functions (cf. Atkinson et al. 2000: 619). Informal rules are usually much harder to modify than formal ones. They have a tendency to be deeply embedded in the players’ cultural repertoires. But changing formal rules may also be difficult, when it calls for legislative changes. In any case, **“good institutions should provide rules that are clear, widely known, coherent, applicable to all, predictable, credible, and properly and evenly enforced”** (Burki/Perry 1998: 15).

Institutions matter

It is widely recognized that institutions do matter for development, since they influence the quality of policymaking, as well as the efficiency of organizations’ service delivery, be they part of the public, private or voluntary sector. Institutions can also raise or lower transaction costs. They may be socially suboptimal, if they were created to serve the interests of those with bargaining power. Finally, the prevailing institutions may not represent the most efficient arrangement for the best possible outcome. This holds true for both formal and informal institutions.

Since a significant range of institutional factors cause service delivery failure and project implementation problems, it is crucial to have institutional and organizational capacity strengthening activities within a program for successful implementation.

Institutional and organizational capacity strengthening⁹

A system, a program, or a component has institutional and organizational capacity when it has the ability to perform its given functions in order to achieve its objectives, and when it effectively addresses problems and challenges it faces. The operational definition of capacity (cf. Orbach 2000) is thus the right combination of: human, technical and financial resources, leadership, and institutions (rules of the game) and practices.

⁹ **Terminological Considerations:** Many terms are often used interchangeably, such as institution strengthening, institution building, institutional development, organizational development, and organizational capacity building. However, as noted above, institutions and organizations are not the same. The term “institutional capacity strengthening” as used in this toolkit, implies that some institutional capacity is present, but needs strengthening.

Capacity strengthening refers to the provision of support through technical and financial inputs, primarily in order to change the incentive structure of individuals and organizations and induce behavior change. Capacity can be differentiated into **institutional and organizational capacity**. *Box 5* and *Box 6* further explain the terms (for further explanation on operationalization of institutional and organizational capacity, see Annex 1-Box 1, cf. Orbach 2000).

Though strengthening organizational capacities is very important, it is limited on its own. Ultimately, the rules of the game need to be changed to generate incentives that are in the interest of the service provider to comply with. Thus accountability, transparency issues, and clear complaints procedures, as well as “software aspects” such as inter-organizational relationships play crucial role. Institutions may also need to change in order to build up organizational capacity, while it may also be necessary to strengthen organizational capacity to induce institutional change. Organizational and institutional capacity are thus closely interrelated, and is best to mutually strengthen both facets.¹⁰

3. The Link between Institutional and Organizational Capacity Strengthening Within a Safety Net Support Program and Other Reforms and Programs

Institutional and organizational capacity strengthening primarily entails changing/ modifying organizational structures and institutions (procedures) as well as the provision of the necessary resources and skills to optimize service delivery. However, it also includes “software” to change inter-organizational perception and communication. Such an approach calls for training of organizations and individuals, and for mediating interorganizational relations. The activities, as recommended in Tool 3, should thus be looked at holistically for a maximum impact. However, it is important to keep in mind that the public sector’s weak performance is usually related to low accountability to clients, weak motivation, and insufficient financial responsibility. As a result, capacity strengthening activities within the context of a safety net program can not replace more fundamental civil service reforms.

¹⁰ In practice, it is not possible to clearly separate organizational and institutional capacity issues. The reader may note that in the toolkit questionnaires, organizational and institutional capacity questions overlap at some points, since an issue may touch both aspects.

Box 5: Organizational capacity

Organizational capacity refers to the “technological” means that are needed to effectively carry out the organization’s tasks, namely

- The right mix, type and amount of **human resources** with adequate qualifications and skills at the right level for - planning, resource mobilization, budgeting, financial management, resource mobilization, monitoring and evaluation, supervision, human resource management skills, etc.,;
- The right mix and amount of **financial and technical resources**, namely funds for - staff salaries, running and maintenance costs, supervision costs, monitoring and evaluation, hardware (e.g., buildings, office space and equipment, computers, available application forms, ..), etc., ; and
- **Leadership**

Box 7: Institutional capacity

Institutional capacity refers to the functioning of relevant and adequate “rules of the game” within an organization or between organizations to achieve the organization’s or the organizational system’s mandates and tasks, and to adjust continuously to new challenges.

There are many formal and informal institutions operating in and around a system or a program. While not comprehensive, the following elements listed below, which are further specified in Tool 1, are considered key:

- Formal work practices, rules of behavior and regulations that specify the intra- and inter-organizational division of labor and how a service is delivered
- Informal work practices, rules and regulations that determine the intra-and inter-organizational division of labor and how a service is delivered in practice

In particular, one has to look at the following formal and informal work practices and rules of behavior that generate and guarantee:

- Accountability
- Financial responsibility
- A balanced between staff incentives (remuneration and sanctions) and obligations
- Compliance with the existing work practices and rules
- Cooperation and coordination to produce synergies and to offset destructive power imbalances between organizations
- An institutional home

4. The Characteristics of Safety Net Interventions and the Implications for Institutional Assessment and Design

- **Multi-dimensionality and multi-sectorality of safety net interventions**

Given the multi-dimensional nature of poverty, safety net interventions comprise a variety of interventions. These are spread across various ministries, including the ministries of human services and social security / welfare, health, education, agriculture, public works, ethnic minority affairs, etc. Thus, a country's safety net strategy is usually multisectoral and in certain cases inter-sectoral, which calls for coordination at the policy and program level.¹¹

Coordination requires a lead actor and an institutional home as well as specific institutional mechanisms and practices which can foster collaboration, information sharing, consensus, solving conflicts, etc.

- **Institutional-organizational pluralism for safety net services provision**

Given the multi-dimensional and multi-sectoral of safety net interventions, we find an institutional-organizational pluralism in this sector, with the involvement of the public and private sectors, as well as NGO and religions organizations in delivering safety nets interventions. These actors may be related in a variety of ways: working independently with no interaction and coordination (i.e. co-existence), linking with the state through incentive-based regulation, by cooperating, coordinating, forming partnership, contracting with each other, or through (social) franchising. For example, an NGOs or the private sector can independently run its own programs with its own funds, or can be contracted out by government, if this approach is more cost-effective and thus efficient, or can increase access. Post-offices are a frequent partner of governments in delivering cash to safety net beneficiaries.

Roles of and relationships amongst safety nets providers need to be holistically assessed.

- **Weak safety net actors and social services ministries**

Very often, the ministries of social services play a marginalized role, since the contribution of social services and safety nets to a poverty alleviation strategy is not sufficiently recognized. Further, lack of appropriate staff who would be able to make the case for safety net interventions from an economic point of view, worsens the situation. This is why social services ministries are particularly under-resourced, making effective implementation even more difficult. Financial and budgetary decisions are often taken by the ministry of finance, whose decisions follow a strict opportunity-cost balancing. Thus, social services ministries become even weaker due to lack of resources, which further contribute to it remaining weak, leading to a vicious circle.

¹¹ Safety net interventions do not always necessitate an inter-sectoral approach. That is, the absence of one component does not necessarily make other components less effective, as may be the case in the field of nutrition. However, some programs, such as conditional transfers, constitute an intervention that requires an inter-sectoral approach. For example, assistance based on whether a child is immunized or whether it is regularly attending school may not work if clinics or schools are not accessible or of unacceptable quality.

Likewise, NGOs working safety nets provision may be relatively weak, partly due to funding shortfalls, since donors (both individuals, and organizations) may be more reluctant to finance safety net programs that do not quickly provide economic returns (i.e., economic growth), especially since safety nets are mainly seen as the mere provision of benefits rather than a means for risk management.

There is a need for institutional and organizational capacity strengthening to overcome these weaknesses, and to build up a strong institutional home for safety nets.

· **Diverse and weak beneficiary groups**

Safety net interventions target the most vulnerable groups, such as widows, orphans, the elderly, children, single parents, the ultrapoor, displaced people, and minorities. These groups are diverse, weak, marginalized, and usually not organized. Furthermore, since safety nets consumption is individualistic, collective action and organization of beneficiary groups around service delivery issues is even less frequent. As a result, these beneficiary groups are unlikely to voice their concerns, demand safety net services, or forward complaints about inadequate services. Instead, they may be overtaken by more powerful, yet less needy groups, advocating for their own interests.

There is a need to support beneficiary groups to organizing themselves and take up collective action processes. At the same time, adequate voice mechanisms need to be put in place. This implies that service providers are willing and able to listen to beneficiaries and take on their concerns. Likewise, beneficiaries need to be empowered and informed as to how to use their voice mechanisms.

· **Public goods with consumption characteristics of private goods**

Consumption of safety net services is exclusionary, and thus they show the typical consumption characteristics of private goods. However, at the same time, social assistance and poverty targeted program costs are not recoverable from beneficiaries. There is no market for providing social assistance and no competition that creates clear signals for ensuring effective service delivery. Hence, these programs are typically financed by governments or NGOs through external or local funds.

Since it is difficult to create competitive pressures and signals, it is crucial to not only design effective monitoring and supervisory mechanisms and alternative accountability mechanisms, but also (auto-) evaluation practices to allow the service providers to design more responsive and efficient work processes and work rules.

· **Production characteristics**

Significant informational asymmetries

For safety nets, there are theoretically no information asymmetries on the side of the consumer regarding the service or good delivered, (e.g., on the cash amount or the in-kind benefit), unlike for instance in health care transaction or educational services, the quality of which is difficult to judge by the user. However, there may be information asymmetries in safety nets delivery in regards to potential beneficiaries accessing information on the

available programs they are entitled to as well as the benefit package and, its access procedures. Providers can thus offer services of lower quality, for example by reducing the benefit amount—which is particularly easy when goods are divisible (such as cash or some types of in-kind benefits), thereby giving way to corruption, embezzlement, and self-granting practices. This is more so possible since the beneficiaries' group profile renders them less likely to forward complaints. More so, given the nature of individual consumption, it is relatively costly to check if services / goods have actually reached the intended beneficiaries.

It is important to pass on the right information to beneficiaries using appropriate information and education (IEC) methodology and to ensure a feedback voice loop.

Difficult eligibility measurement

From the provider perspective, there are concerns about measuring eligibility, which is not always easily observable. Yet, this is costly, particularly if more precise targeting methods such as means-testing are chosen. Since it is difficult to check somebody's eligibility, incentives and disincentives arise from both the beneficiary's and provider's side. The former may attempt to manipulate the fulfillment of the eligibility criteria, while the latter plays a gatekeeper and as such may be prone to rent-seeking or be biased in interpreting and applying eligibility criteria.

From an institutional point of view, this calls for strong voice and monitoring mechanisms as well as a comprehensive information policy. The problem with information asymmetries underscores the need for appropriate institutional arrangements. NGOs, by nature of their solidaristic motivation, may be usually less inclined to exploit these information asymmetries.¹² Equally important is setting up an incentive structure and other mechanisms that lower the tendency to exploit information asymmetries and the costs of monitoring.

· **Demand for “services” and opportunity costs**

The financial resources of a program is inherently limited, and more so in the poorest countries, whereas demand for benefits is usually high. This calls for eligibility restrictions and targeting. The assumption is that people consider these goods and services to be worth demanding. Yet, the so-called participation costs, namely the opportunity costs to access the services, must remain within a reasonable range for the recipient. If a good or a service is too expensive to access (distance, complicated application procedures and bureaucracy) and is surrounded by stigma, the participation cost increases even more.

Access procedures and targeting mechanisms must strike a balance between high demand for services and reasonable opportunity costs.

· **Need for decentralization**

The nature of safety nets benefits implies decentralized service delivery. Access to the application process, collection of information for the application screening process and final decision-making as well as supervision require a decentralized organization.¹³

¹² although NGOs can be equally particularistic or be dominated by political or individual interests.

¹³ Devolution as one type of decentralization is of particular importance. It entails the transfer of competencies and responsibilities, resources (and its management), as well as legitimization mechanisms, i.e., bottom-up accountability, to the local level.

*While the nature of safety nets benefits may call for decentralization, it is key that the local organizations and actors have the actual organizational and institutional capacity to deliver these services. Such capacities consists of adequate mix of human, material and financial resources, adequate skills of staff, in regards to planning, budgeting and financial management, resource mobilization, human resource management, monitoring and evaluation and supervision. Likewise, it is critical to design work practices and rules of behavior, accountability and financial responsibility mechanisms etc. (see Section 2). At the same time, a **clear division of labor between the central and the local level must be set up**. The central level must be capable of managing the intergovernmental relations, namely support supervision and policy guidance. A particular critical issue is **the financial transfer system** to avoid the crowding out of safety net service funds, given their sensitivity to political economy considerations and their elasticity.*

Box 7 provides a summary of the core institutional design issues of safety net systems.

**Box 7: Core Institutional Design Issues of Safety Net Systems:
Multisectoral, Institutional-Pluralistic, and Multi-Level Provision**

There are three levels of analytics to consider in the safety nets system:

1. **Multi-dimensional facets of poverty and those who are in charge of safety net issues** (line ministries and other agents). This has implication on the coordination of safety nets system as a whole, and the management of inter-organizational and inter-governmental relations.
2. **Pluralistic providers** comprising of public (including the central, regional and local levels), private and voluntary agencies. Issues regarding supervision, regulation, cooperation, contracting, trust and the prevailing interaction culture.
3. **Decentralized service delivery**. Decentralized services require us to look into the local administration/local government structure as well as the decentralization process. The nature of communities and community structures are of equal importance to evaluate the potential for community targeting measures and the role of community participation.

5. Overview over the toolkit components

Three components make up the toolkit: Institutional assessment questionnaires, institutional design, and institutional design and capacity strengthening. These components are outlined below followed by the actual questionnaires later on.

Tool 1: INSTITUTIONAL ASSESSMENT

Tool 1 comprises of eight modules of questionnaires. While components 1,2 and 4 cover the overall safety nets system in the country, sections 3-8 may be applied on a program to program basis depending on the scope of the analysis that one desires to undertake.

1. Country information related to safety net interventions

Country information such as poverty, socio-economic situation, and administrative structures will help determine the viability and appropriateness of the type of safety nets interventions and institutional alternatives.

2. Overview of the safety net system

This module serves to obtain an overview of the national safety net system, its actors, and activities as the starting point for the institutional analysis.

Potential issues to be identified:

There is no safety net policy in the country; the government does not address crucial safety net needs of the most vulnerable by not undertaking certain activities and interventions.

3. Institutional and organizational capacity of the policy development/planning unit

This module serves to analyze and understand the problems as regards policy-making, planning, and coordination. This may have to be conducted at national level if there is coordinating body, and also at program levels where the various institutes formulate policies and programs.

Potential issues to be identified:

Inadequate policy making and planning, together with lack of coordination, account for a gap or for inadequate safety net interventions and result in duplication, lost cooperation benefits, and hence ineffective resource use.

4. Administrative structure

This module serves to collect necessary background and context information on the country's administrative structure in order to get a sense of the feasibility of institutional design and change. It tells us whether safety net interventions can benefit from being linked with and integrated into the local government/administration and whether they should be decentralized.

Potential issues to be identified:

Inefficient institutionalized decentralization constrain service delivery.¹⁴

5. Service delivery process

This key module serves to analyze the organizational structure and the service delivery process of safety net interventions to identify the institutional and organizational factors that may hinder meeting the objectives.

Potential issues to be identified:

Inadequate application procedures, lack of clear eligibility criteria, cumbersome bureaucratic processes, poor supervision, *inter alia*, cause unsatisfactory program delivery regarding access, administrative costs, coverage, and targeting, incomprehensive and unclear contracts with distorting incentives, and inadequate tendering processes.

¹⁴ These questions partly overlap with Module .

6. Organizational and institutional capacity of (potential) implementing agencies

This module is an essential part of the institutional assessment questionnaire. It serves to systematically assess the organizational and institutional capacity of safety net actors – both public, NGO or private providers – to further explain a performance level, and to identify areas that require capacity strengthening.

The questionnaire also addresses those non-governmental organizations or private sector actors that could potentially be involved, for example, through contracting. The institutional and organizational capacity assessment will provide information whether such alternative provider arrangements are conducive to improving outcome. It also serves to look at the activities and organizational-institutional setup of these organizations in order to identify good practice.

Potential issues to be identified:

There is lack of leadership and vision within an organizational unit, the resource base is insufficient, intra-administrative accountability structures are inadequate, and appropriate incentives and voice mechanisms do not exist or are extremely weak. These factors may lead to poor performance.

7. Community characteristics and community capacity

This module serves to assess the potential role of communities in service delivery, including community targeting.

Potential issues to be identified:

A community may be weakly organized, lack cohesiveness or be hierarchically stratified, so that community involvement and community targeting may not be a viable solution.

8. The NGO sector and interorganizational relations

This module serves to derive some background information on the NGO sector as well as the prevailing interorganizational relations to assess the interaction culture and the environment for contractual arrangements.

Potential issues to be identified:

The NGO sector is poorly organized and as such there is no vocal civil society that constructively shapes the interaction with the state. The prevailing interorganizational relations are not conducive for the increased use of contractual arrangements.

Tool 2: INSTITUTIONAL DESIGN

Institutional design considerations need to address the following issues:

- 1. Policy-making and coordination**
- 2. Institutional home for the overall safety net system**
- 3. Provider choice and institutional arrangements for safety net service delivery**
- 4. Harmonization with other programs beyond the safety net system**

Tool 3: INSTITUTIONAL DESIGN AND CAPACITY STRENGTHENING RECOMMENDATIONS

This component provides examples of possible institutional capacity gaps and respectively recommends entry points for institutional change and institutional capacity strengthening.

6. Toolkit Application

When to apply the toolkit

Given the importance of institutions and institutional capacity for program delivery and desired outcome, it follows that any institutional capacity assessment should be **undertaken as early as possible during the planning process** of a program. Ideally, the toolkit should be applied when the safety net core components and interventions of a program/project are being identified, and before the actual design of safety net components has taken place. At this stage, the toolkit can be used to undertake an institutional assessment, from which the institutional design can be derived, namely the identification of the appropriate institutional-organizational structure and the provider mix, including institutional capacity strengthening measures. Nevertheless, it must be noted that it is necessary to undertake regular institutional assessments **during implementation** as well.

The toolkit may also be applied **during an evaluation phase** to analyze an existing program and identify “killer factors”¹⁵ and hence ways of making them perform better through institutional redesign and institutional/organizational capacity strengthening.

Depending on the extent of problems, as well as time and resources available, a comprehensive institutional analysis may be carried out for **the overall safety net system**. An institutional analysis **can also be issues-led**, so that the institutional analyst may select parts of the questionnaires and only focus on one program or a specific intervention.

Box 8: Suggestions for Terms of References

An institutional assessment should preferably be carried out by someone who is familiar with the historical, political, social, and institutional context of the country, who has a background in institutional analysis, interorganizational analysis, and organizational development, and who is familiar with the service characteristics of safety net interventions. The suggested length of the analysis is two to three weeks in the field preceded by a document and literature review, and followed by documentation (write-up) and dissemination. Clearly, the length also depends on the available country information on related issues.

How to apply the toolkit

The toolkit must be seen as a set of guiding questions. The toolkit does not anticipate each and every situation, and hence it does not spell out questions for all possible circumstances. On the other hand, not all of the questions will be relevant in a given country or situation; thus one should use the toolkit as a guide and customize it according to the need and situation on the ground (see Box 9).

The questions in the toolkit provide a guide. The formulation of each question may, of course, need to be modified and adapted, depending on the respondent and the country context. Therefore the toolkit modules do not constitute standardized survey questionnaires with close-

¹⁵ A non-addressed killer factor, i.e. an important inadequate institutional arrangement or a strong and far-reaching perverse incentive, may easily cause failure of a program or a project.

ended answers. Furthermore, some of the questions need not be asked at all. Thus, the toolkit must be applied in a flexible manner by sifting through the set of questions according to the needs of the analysis.

The toolkit modules are organized along subject lines, which to some extent naturally overlap. Since we opted to sketch out the full range of issues in relation to each subject, there may be some redundancies. For the sake of comprehensiveness, the institutional assessment section includes many background questions – information that is usually already available through sector and country work; these may be skipped.

Box 9: Context-specific operationalization of questions

The questions contained in the toolkit may require further operationalization according to the local setting. For example, the following two questions in Module 7 (Part II, Tool 1) on community characteristics and community participation cannot be worded this way to a community leader as the language and tone may be inappropriate.

- Is the social structure hierarchically stratified or rather egalitarian?
- Are people empowered to voice their opinions?

One may instead ask, for example:

- Do people feel that everybody has an equal voice in the community and that income and wealth should be equal?
- Or is there a lot of difference between different groups of people, e.g. between the decision-makers' wealth and other groups?
- When people do not agree with a decision taken or action, e.g. by the community leaders, the administrative chief, or a service provider (e.g., a nurse or a extension worker), do people actually say something?
- Do they express their disagreements? Or do they withdraw and keep quiet and try to get around the issue or problem in other ways?

The modules also contain qualitative aspects, for example:

- Does the organization have adequate resources to carry out its tasks?

What is adequate is again context-specific, the judgment of which is ultimately the task of the safety net team involved.

Chronological order of information gathering and filtering instructions

As already noted, it is ultimately up to the analyst to put together the questionnaires according to the problem group and the needs defined by the safety net experts. Given that resources and time are constrained, it is necessary to apply the questionnaires effectively. It is suggested to **follow the order of the eight modules of Tool 1 as presented in the toolkit**. A ten-day period (excluding the preparatory work, the document analysis and literature reviews) may suffice to cover the questions in the eight modules (refer to **Box 8** for items to include in the terms of reference). **Box 10** outlines some filtering instruction that should be kept in mind.

Box 10: Filtering instructions

- Module 3 (Institutional and organizational capacity of the policy development/planning unit) may be left out if policy-making, planning and coordination issues are not considered critical areas to be addressed. Or if of less relevance, it may be incorporated after other pertinent issues have been analyzed. Most of the information may also be collected through a document and literature review.
- Some information on the administrative structure (Module 4) is usually already available in sector or country analytic work. Project appraisal documents on decentralization programs may provide the best source.
- Module 5 (Service delivery process) and Module 6 (Organizational and institutional capacity of (potential) implementing agencies) constitute the core parts of Tool 1. About seventy percent of the time in the field should be spent on these issues.
- Module 7 (Community characteristics and community capacity), which is short, may be of less relevance if it is clear from the beginning that the programs will not comprise much of community involvement (including targeting mechanisms). However, as community participation is considered a crucial element in establishing accountability mechanisms, it is advised to spend some time on Module 7.
- The short Module 8 (NGO sectors and interorganizational relations) serves to gather some background information. If collaboration with NGOs and NGO-state cooperation is not considered a key issue, this section may be left out or covered by only one or two interviews.

Finally, what information to gather and in what order also depends on the subject at task:

- A systems analysis takes more time and should be more comprehensive, generating information on all eight modules.
- The same applies for an institutional assessment in relation to a new program planned from scratch.
- The evaluation of an existing program or components should concentrate on the relevant aspects of Modules 5 and 6, and can also include Module 4 and Module 7, if community targeting and participation matter.

Toolkit methods

Qualitative research methods and analysis constitute the appropriate methodology for an institutional assessment (for methods and tools see Box 11 and 12).

Box 11: Data collection methods¹⁶

Methods used for data collection should be diverse, comprising of:

- Open interviews with the staff of the implementing and policy formulating agencies: Front-line staff, NGO leaders (headquarters) and field workers, Community Based Organizations,
- Open interviews with executive secretaries of NGO umbrella organizations, researchers, and expatriates of other organizations;¹⁷
- Focus group discussions with beneficiaries;
- Individual talks with beneficiaries;
- (Participatory) observation; and
- Literature and document analysis (budgets, workplans, work reports, policy documents, etc.)

Simultaneously, a number of diverse RRA/PRA-methods (Rapid Rural Appraisal/Participatory Rural Appraisal) should be applied to visualize and organize data. They must be applied in a flexible way and according to the needs of the interviewing partners and the local circumstances.¹⁸ These include:

- SWOT-analysis
- PERT
- Venn-Diagrams
- Ranking exercises
- Mapping.

The selection of respondents and data sources should be as diverse as possible and include persons from different settings, organizations, and regions. This “methodological integration” (i.e., a mix of methods) enables extensive cross-checking of information and triangulation, thereby assuring objectivity, reliability and validity (see Box 12 for triangulation methods). Given time and resource constraints, the application of the key questionnaire must be guided by the principle of “optimal ignorance” and “appropriate imprecision”, i.e., the researcher must judge what the key issues are and leave out less relevant details, no matter how interesting they may be.¹⁹

¹⁶ See www.worldbank.org/ESSD/essdext.nsf/61ParentDoc/SocialAnalysis for further guidance on how to apply these methods.

¹⁷ Expatriates from other donor organizations constitute valuable key informants since they are on the ground can observe real implementation issues.

¹⁸ Further information can be found in Orbach 2000 and www.worldbank.org/ESSD/essdext.nsf/61ParentDoc/SocialAnalysis.

¹⁹ Optimal ignorance and appropriate imprecision form one of the core participatory learning assessment methods and urge us not to find out more than is needed and not to measure when a comparison is enough. One is trained to

Box 12: Triangulation methods

The following triangulation methods²⁰ can be applied:

- **Investigator triangulation:** when different researchers independently find the same patterns.
- **Person triangulation:** when one cross-checks information from various persons from different contexts (background, socio-economic, regional).
- **Using similar questions in sequence and using several indicators:** This serves to measure the same phenomenon and enhances validity, i.e., the researcher ensures that s/he really measures what s/he wants to assess (see also Annex 1-Box 2 for judging validity).

Finally, **the institutional analysis should be as participatory as possible**. It is crucial that people involved in, and affected by this process, are drawn in. Otherwise, a lack of ownership and lack of identification with the process, will make institutional redesign and institutional capacity strengthening hard to implement. Thus, the assessment should be oriented along an action-research logic.²¹ This will best guarantee that recommendations for institutional change and institutional and organizational capacity strengthening are generated, accepted and implemented by the stakeholders and concerned actors. This is because changes in institutional capacity and design essentially entail redistribution and will thus change access opportunities and benefits for interest groups, a process that requires political will and support. **Fostering commitment and ownership** is an important step within the whole process and a task that requires its own methods. A participatory analysis will contribute to lessen this ownership challenge.

make absolute measurements and yet most often trends, scores, or ranking are all that are required (Odour-Noah et al. 1992).

²⁰ The process of collecting data from different angles, through different persons or by different means is called triangulation and serves to increase objectivity and also validity.

²¹ Action research means that the concerned actors themselves are involved in the research process, i.e., they reflect on and analyse their “research problem.” This is followed by a solution-finding process, during which the individuals concerned come up with a possible course of action in order to overcome or at least reduce the problem. Action research aims, thus, at promoting people’s problem solving capacity. As the people are both the subjects and the owners of the research, action research is more likely to guarantee the actors’ willingness to participate. This, in return, makes discussants more comfortable in talking about delicate issues, and thus may provide more insight than the conventional empirical-analytical research method (Fals-Borda 1987).

7. The Logical Steps of an Institutional Analysis

This section summarizes the logic and the steps involved in conducting an institutional analysis for (i) an existing program, and (ii) for a program being designed from scratch.

(i) Institutional analysis for an existing program:

Before starting to undertake an institutional analysis, it is necessary to be clear about the problems and challenges that should be addressed with institutional analysis and capacity strengthening activities. This initial analysis also provides the first indication of **whose institutional/organizational capacity to assess**.²² In general, this comprises of the policy-making and planning body and the divisions and subdivisions of ministries and NGOS engaged in safety net activities.

Once this step is clarified, the next step is the actual **institutional assessment** of the policy-making, planning and coordination process as well as the service delivery process. Both of these assessments are based on formal structures, rules and procedures. Yet, reality may not follow this formal structure alone. We must hence analyze and understand the processes on the ground and the kind of (informal) incentives that actually operate (Tool 1). Often, there are tremendous differences between the formal structures and rules, and the informal reality on the ground.

This institutional assessment will reveal the performance gaps. At the same time, the institutional assessment will also help the analyst understand the reasons for low performance. This may be due to inadequate formal rules or due to the gap between the formal structures and the informal reality (low institutional capacity), as well as due to the lack of financial, human and technical resources (low organizational capacity).

The next step deals with asking how performance can be improved. Either it will be necessary to change the institutional arrangements (the structures, rules and procedures) that is, **institutional redesign or institutional change** (Tool 2). Or the prevailing adequate institutions will have to be strengthened, hence **institutional and organizational capacity strengthening** activities need to be introduced (Tool 3). Obviously, the line between institutional redesign and institutional capacity strengthening is a fine one, and hence, the differentiation serves analytical purpose (Annex 1-Box 3 provides an overview of this logic and the steps with the related strategic questions).

(ii) Institutional analysis for new safety net programs and activities designed from scratch:

Once the safety net team clarifies the major safety net issues and the type of safety net interventions to address these problems, it is then necessary to identify organizations that could be potential providers and deliverers of the planned interventions. These may be organizations that are already engaged in safety net activities, or even organizations that are involved in other development or market activities.

²² Cf. Orbach 2000, who puts much emphasis on this question.

This is then followed by an **institutional assessment** to analyze the comparative advantages and the potential institutional gaps and killer factors of the various alternative service provider options (Tool 1). This analysis can be derived from understanding the service delivery processes of the identified potential or prevailing safety net actors or other development partners. Again, as in the previous subsection, formal structures, rules and procedures versus the informal reality on the ground must be taken into account to get a sense of organizational performance. Based on the needs of the planned interventions, we also may have to analyze the current policy making, planning and coordination process, and possible inadequacies.

This institutional assessment serves as the basis for **institutional design**, or in other words institutional choice, namely selecting the organization or organizations that are judged as the most appropriate for the planned safety net activities. At the same time, it may be necessary to improve performance of the “selected” organizations. Either it will be necessary to **change the institutional arrangements**, i.e. the prevailing formal and informal structures, rules and procedures operating within these organizations (institutional (re)design: **Tool 2**). Or the prevailing (formal or informal) adequate institutions have to be strengthened, hence **institutional and organizational capacity strengthening** activities need to be introduced (**Tool 3**). (Annex 1-Box 4 provides an overview with the related questions).

PART II: TOOLKIT COMPONENTS AND KEY QUESTIONNAIRES

TOOL 1: INSTITUTIONAL ASSESSMENT - OVERVIEW / TOOLKIT OUTLINE

Below is a brief outline of Tool 1 before the presentation of the full questionnaire; this will assist the reader to quickly get a feel for the questionnaires before delving into the detailed questions that follow. Note that the outline is presented for Tool 1 only, since Tools 2 and 3 are relatively short.

1. Country information related to safety net interventions

2. Identifying the main actors of the safety net system: public, NGOs, private providers

- 2.1. Is there a national safety net policy and legal framework?**
- 2.2. Who does what in the field of safety nets?**
- 2.3. How do the safety net interventions relate to each other?**
- 2.4. How do people perceive safety net interventions?**

3. Institutional and organizational capacity of the policy development/planning unit

- 3.1. Which organization or organizational unit(s) is/are in charge of policy development and planning as well as accountable for implementation?**
- 3.2. What is the unit's or units' organizational structure, what are their mandates and tasks?**
- 3.4. Is there a functional Management Information System (MIS)?**
- 3.5. What set of (staff) incentives operate and how does this incentive structure affect performance?**
- 3.6. What kind of interorganizational relationships prevail and what implications for and impacts do they have on the policy making and coordination process?**
- 3.7. Is there a functional interministerial/intersectoral coordinating body?**

4. Administrative structure

A. Devolved systems

- 4.1. What is the administrative structure like?**
- 4.2. Which planning powers does the sub-national government have as regards safety net issues?**
- 4.3. To what extent does citizen accountability exist?**
- 4.4. Are funds for safety net interventions adequate at the local level?**
- 4.5. Do sub-national governments have sufficient organizational capacity to carry out their tasks?**
- 4.6. What kind of intergovernmental and interorganizational relationships prevail?**

B. Deconcentrated systems

- 4.1. What is the administrative structure?**
- 4.2. What planning powers do the sub-national administration have as regards safety net issues?**
- 4.3. Are there institutional mechanisms that facilitate the inclusion of people's views?**
- 4.4. Are financial resources adequate at the sub-national level, and to what extent does the local administration have discretion to decide on their spending?**
- 4.5. What kind of intergovernmental relationships prevail?**
- 4.6. What is the local administration's capacity level?**

5. Service delivery process

- 5.1. How are safety net services delivered?**

6. Organizational and institutional capacity of (potential) implementing agencies

A. Organizational and institutional capacity of the public sector

- 6.1. What is the safety net service provider's organizational capacity?**
- 6.2. How is intra-administrative accountability ensured?**
- 6.3. What set of (staff) incentives prevail and how does this incentive structure affect performance?**
- 6.4. Are there bottom-up accountability and voice mechanisms for recipients?**
- 6.5. What is the institutional and organizational capacity of committees involved in screening applications and making decisions?**
- 6.6. How do the service providers interact with other (public, NGO, church, or private) safety net actors?**

B. Organizational and institutional capacity of the NGO sector:

- 6.1. What is the NGO's organizational structure, what are its objectives, activities and intervention approaches?**
- 6.2. What is the NGO's organizational capacity?**
- 6.3. How is intraorganizational accountability ensured?**
- 6.4. What set of (staff) incentives prevail and do these incentives explain performance or malperformance?**
- 6.5. What bottom-up accountability mechanisms exist?**
- 6.6. What is the institutional and organizational capacity of committees involved in screening applications and making decisions?**
- 6.7. How does the NGO relate to other (public, NGO, church, private) safety net actors and other organizations?**

C. Organizational capacity of the private sector actor:

- 6.1. What is the agent's organizational capacity?**

7. Community characteristics and community capacity

7.1. How is the community organized?

7.2. What kind of self-help culture prevails?

7.3. What is the institutional and organizational capacity of community committees?

8. The NGO sector and interorganizational relations

8.1. What is the nature of the (national) NGO sector? Is there an umbrella body?

8.2. How do the public, private and voluntary sectors interact with each other?

Tool 1: INSTITUTIONAL ASSESSMENT

1. Country information related to safety net interventions²³

Methods:

Document review: Country studies, webpage, sector work
Interview with country representative and country specialists

Information on the following issues is required in order to consider institutional setups and alternatives:

- Poverty assessment,
- Party system characteristics (type of party system, political divide, ...),
- Political and administrative culture (e.g. extent of patron-client relations, degree of centralism, ...),
- Societal characteristics (racial divisions, ethnic groups, religious groups, ...),
- Geographical setting (physical accessibility),
- Other pertinent country documents.

²³ This section is not actually a module. For the sake of comprehensiveness, however, it is pointed out that information on these issues is needed. Usually, this information is available through the country sector work.

2. Identifying the main actors of the safety net system: public, NGOs, private providers

Methods:

Document review: Social policy law, constitution, country studies, webpage, sector work

Interviews with task manager, country representative, minister and high level staff for social protection issues, NGO umbrella representative

2.1. Is there a national safety net policy and legal framework?

- If yes: What are the goals of this policy?
- Is it comprehensive? Does it provide adequate guidance?
- If no: Why not?
- Are the prevailing safety net laws, regulations, and legal provisions appropriate, or do they need revision?²⁴

2.2. Who does what in the field of safety nets²⁵?

- Is there an inventory as regards both type of intervention and volume?
- Is there an actor that has an overview over all activities and interventions?
- Who undertakes what programs, projects, and what activities, i.e., who does what (including international organizations)?
- Are these activities in line with the national policy? If not, is there need for change?
- Is there a management information system, and which organization is in charge of it?
- Which actors undertake advocacy?
- What is the extent of private remittances and other informal private safety net activities?
- Which donors are involved?

2.3. How do the (formal, informal and private) safety net interventions relate to each other?

- Is there a clear division of labor?
- Do they complement each other, or do they compete with each other?
- Is there duplication of programs?
- If so, does the duplication create conflicts on the provider side?
- If so, is beneficiary duplication problematic?

2.4. How do people perceive safety net interventions?

- Do safety net services meet with people's preferences or are they at least accepted? Or are some of the services surrounded by stigma?
- Is there a culture of entitlement, or rather a top-down culture of giving out benefits?

²⁴ The answer is also contingent upon the complete results of the institutional analysis.

²⁵ This may include international organizations and NGOs who may be involved in safety nets delivery.

Summary and implications:

What are the main deficits and problems?

What implications does this have on service outcome?

Which aspects require change? Which aspects can realistically be changed? (e.g., merge or drop programs, add new programs)

3. Institutional and organizational capacity of the policy development/planning unit

Methods:

Document review: previous safety net studies, legal provisions (laws, circulars, organigram, task descriptions)

Interview with task manager, minister of social protection, Sectional Heads, operational staff, member of coordinating body where available

If time allows:

Document review: departmental budgets, activity plans, social sector budget

Focus group discussion with operational staff

Participatory observation in a coordination meeting

3.1. Which organization or organizational unit(s) is/are in charge of policy development and planning as well as accountable for implementation?

- Which organizational units are involved in policy development according to the national policy?
- Which organizational units are actually involved in practice?
- Do the unit's or the units' responsibilities overlap with other ministries or ministerial divisions? If so, does this lead to conflicts or inefficiencies?
- Which actors should be involved in policy development? Who should be taken on board?
- Which unit(s) at the government level is accountable for the implementation of safety net activities?

3.2. What is the unit's or units' organizational structure, what are their mandates and tasks?

- What is the organizational structure of this unit or these units? (organogram, number of staff, qualifications, skills)
- What are its or their mandates and tasks, functions and responsibilities?
- Does the unit or the units contract out some of the tasks? (e.g. IT services)

3.3. Is the unit functional?²⁶ (These questions should be read as both "the unit" or "the units")

- Is the unit provided with leadership?²⁷
- Is the staff committed and shares a vision?
- Are all staff positions filled according to the organizational structure?
- Does the current staffing situation meet the actual workload? (adequate number of staff: no under- or overstaffing; adequate skills and qualifications at the right level: no excess or shortage of skills)

²⁶ The questions of this set are adapted from Orbach (2000).

²⁷ Leadership exists if the management provides a core strategy. This includes a clearly defined vision and a work plan for its accomplishment that is translated into clear objectives of action for each level and actor within the service delivery process (cf. Institutional Analysis toolkit for education, by Orbach 2000).

- Does the unit have sufficient resources to operate properly? Including:
 - resources for staff salaries?
 - running/ operational cost and maintenance
 - activities
 - supervision and M&E
 - training and continuing education
 - computers and related facilities and items as well as maintenance
 - transport
 - adequate office space
- Is the unit able to mobilize sufficient resources?
- Does the unit undertake sufficient effort to get adequate resources?
- Are resources spent according to budgets?
If not, why not?
- Is there capacity (as regards rules, plans, and resources) and willingness to periodically review, monitor, and evaluate service providers?
- Does intraorganizational communication and coordination function?
- Are responsibilities clearly allocated within this policy-making and planning unit?

3.4. Is there a functional Management Information System (MIS)?

- Is there an MIS that provides information on the coverage, efficiency, and effectiveness of the safety net programs? (time from application processing to the issuing of the first check, monitoring data on numbers of program beneficiaries, budgets, estimates of unit costs, reviews of program efficiency, evaluation)
- Is there adequate and consistent social sector budgetary data? (accepted definition for social spending or social assistance in the national income accounts or in the budget; aggregated data on individual program spending)
- Is there reliable monitoring data on all social assistance programs, particularly regarding costs and coverage?

3.5. What set of (staff) incentives operate and how does this incentive structure affect performance?

- What are the staff incentives to perform? (salary, benefits, training, etc.)
- Or what kind of incentives prevail that allow the staff to invest their efforts in other activities that are not conducive to the unit's goals?

3.6. What kind of interorganizational relationships prevail and what implications and impacts do they have on the policy making and coordination process?

- With which other ministerial divisions and organizations does the unit interact?
- How does the unit interact and what is the nature of these relations? (cooperative-synergistic, transparent, and supportive, or antagonistic, uncooperative, and distrustful)
Why is this so? What effect does this have?
- Do the rules of the game (procedures) prescribe cooperation?
- How does the unit interact and cooperate with NGOs and other private sector actors? What is the nature of these relations? (cooperative-synergistic, transparent, and supportive, or antagonistic, uncooperative, and distrustful)

- Why is this so? What effect does this have?
- Does the unit succeed in coordinating the various safety net programs? If not, why not?

3.7. Is there a functional interministerial/intersectoral coordinating body?

- What are the mandates and tasks of this coordination body?
- Are all relevant safety net actors in this body? If not, why not? What implication does this have?
- Who heads the body? Is there a clear lead actor?
- Is the body (politically) sufficiently supported?
- Is the coordinating body adequately funded?
- Is the body able to mobilize sufficient resources?
- What are the incentives for the members to participate and invest time and effort?
- Does the body succeed in coordinating the various safety net interventions? If not, why not?
- Do members have a shared vision? If not, why not?
- Is there a feeling of ownership? If not, why not?
- Do members identify with the mandates and tasks of the coordinating body? If not, why not?
- Are there actors that dominate in this body? What is the effect?
- Are there conflict resolution mechanisms?

Summary and implications:

What are the main deficits and problems?

What implication does this have for service outcome?

Which aspects require change? Which aspects can realistically be changed?

4. Administrative structure²⁸

Methods:

Document review: Country studies, webpage, sector work, local government laws

Interview with country representative and country specialists, chief administrative officers at local levels

If time allows:

Ministry in charge of decentralization/local government

Expert NGO on decentralization/local government

If safety net interventions are provided by the public sector and if they are devolved (at least on a formal-legal basis), follow mode A.

If safety net interventions are provided by the public sector and if they are not devolved, follow mode B.²⁹

A. Devolved systems

4.1. What is the administrative structure like?

- When has the country engaged in a devolution process?
- How many sub-national government levels exist?
- How many sub-national government units exist?
- Does it make a difference or is it problematic if governments of different levels are run by different parties?

4.2. Which planning powers does the sub-national government have as regards safety net issues?

- What is the extent of discretion of sub-national governments in developing or adapting local safety net programs and plans?
- What institutional arrangements for policy and planning purposes exist at the sub-national government level?

4.3. To what extent is citizen accountability existent?

- What kind of local electoral system prevails? What is the candidate nomination process like?

²⁸ This short module cannot do justice to the complex multi-leveled administrative structure that may exist in a country. For reasons of simplification, the terms sub-national and local are used interchangeably, referring to regional, provincial, or district/local governments and administrations, as the case may be.

²⁹ It may also be advisable to apply this module to other safety net related services, such as health care and nutrition, to get a sense of how well the local government system functions.

- Does the electoral system allow for local orientation and representation or does the composition process of party lists imply orientation to and representation of national interests?
- Are women and minority groups adequately represented on the council?
- What kind of accountability mechanisms exist between the councilors and the people?
- Do the people have easy access to councilors? Can they easily forward their views?

4.4. Are funds for safety net interventions adequate at the local level?

- At what level is financial discretion located?
- Do mandates and tasks meet with the available financial resources?
- What is the financial arrangement for funding safety net interventions? (unconditional versus conditional grants, other grants)
- What kind of elasticity effects arise from this financial arrangement? Are safety net services a spending priority of sub-national governments?
- Does the central government have the right to “bail out” a local government if funds are inadequate?
- Do local governments get the approved amount of funds and do they get them on time? Are resource flows predictable, steady, and reliable?
- Can local governments plan appropriately?
- When sub-national governments are run by a party different from that at the central government level, does this result in political manipulation, in that the former are disadvantaged as regards the provision of central government funds?

4.5. Do sub-national governments have sufficient organizational capacity to carry out their tasks?

- Do local councilors of the subcommittee in charge of safety nets issues have technical knowledge, or does the local government/ administration’s technical staff override them?
- What is the capacity of the local councils in terms of planning, budgeting, management, and resource allocation?
- What is the sub-national government’s/administration’s capacity and experience in tendering and contract management?

4.6. What kind of intergovernmental and interorganizational relationships prevail?

- In which way can higher levels of government interfere in the affairs of lower ones?
- Is there a clear division of labor between the central and local level, e.g., as regards, policy issues and implementation?
- What type of supervision prevails? (ex ante or ex post; legal supervision or actual content approval)

B. Deconcentrated systems

4.1. What is the administrative structure?

- How many sub-national administration levels exist? What is the lowest level of service provision?
- How many sub-national administration units exist?
- Are there differences between the different levels of relevance? What can be done about it?

4.2. What planning powers does the sub-national administration have as regards safety net issues?

- What is the extent of discretion of the sub-national administration in developing or adapting local safety net programs and plans?
- What institutional arrangements exist for policy and planning purposes at the sub-national government level?

4.3. Are there institutional mechanisms that facilitate the inclusion of people's views?

- What kind of institutional mechanisms exist that enable the civil servants to get people's views? (surveys, exit interviews, consultation, indirectly through local council agenda)
- Do the local administration's decisions reflect people's preferences and views?

4.4. Are financial resources adequate at the sub-national level, and to what extent does the local administration have discretion to decide on their spending?

- Do tasks in relation to safety net interventions meet with the available financial resources?
- What is the funding arrangement for safety net interventions?
- What kind of elasticity effects arises from this financial arrangement?
- Do sub-national levels get the approved amount of funds and do they get them on time? Are resource flows predictable, steady and reliable?
- Can sub-national levels plan appropriately?

4.5. What kind of intergovernmental relationships prevail?

- In what ways can higher government levels interfere in the affairs of lower ones?
- What type of supervision prevails? (ex ante or ex post)

4.6. What is the local administration's capacity level?

- What is the capacity of the local administration in terms of planning, budgeting, management, resource allocation, and expenditure review?
- What is the administration's experience in tendering and contract management?

Summary and implications:

What are the main deficits and problems?

What are the implications on service outcome?

Which aspects require change? Which aspects can realistically be changed?

What should the structure and process be like ideally?

5. Service delivery process³⁰

Methods:

Document review: Country studies, webpage, sector work
Interview with task managers, ministerial staff of social protection, field workers, beneficiaries, committee members, staff of local administration, other involved/contracted actors

5.1. How are safety net services delivered?

For each intervention or program component:

- Who is the provider, who are the providers, who are the actors involved?
- What is the organizational structure of the service provider?
- How is the delivery of the service organized? Is there a multiple delivery system?
- Who are the beneficiaries? Who is eligible?
- How is the program financed?
- Is the benefit package adequate?
- Is the receipt of benefits surrounded by stigma?
- Are there significant participation costs for the (potential) beneficiaries?³¹
- Who are the stakeholders involved?

For each production step:³²

- What are the formal service delivery structures, rules, procedures, and processes in relation to each production step of service delivery?
- Is the respective production step clearly guided by formal rules, or does it lack guidance by formal rules? (e.g., lack of formalized eligibility criteria)
- Are the existing formal rules appropriate?
Study in particular:
Contracting: e.g.,
 - Is the contract or contract-like agreement comprehensive, does it include clear objectives or clear guidance, conflict resolution mechanisms, clear payment agreements?
 - Does the contract generate the “right” incentives that serve the program goal?
 - Are there clear criteria for selecting contractual partners?
- Tendering: e.g.,

³⁰ It is crucial to be clear about whose capacity to assess.

³¹ Participation costs include all forms of costs (financially, timewise, culturally and socially) to get access to the application process and receive the actual benefit. Participation costs are high, for example, when the receipt of a benefit is surrounded by stigma, when it is physically difficult and time-consuming to reach the place where services and benefits are delivered, when certain groups (e.g., women) are excluded from getting into the program, as it would imply male contact in a society where this is not socially accepted, or when access to the application process or to the actual benefit is complicated due to informal payments, long and multiple steps to process applications and documentation requirements, etc.

³² The service delivery process consists of a number of separate production steps (see below for examples).

- Are the regulations specifying the tendering process appropriate for the local context?
- Does the actual tendering process follow the rules?
- What is the service delivery process in reality, and how are rules and procedures applied in practice?
- What kind of informal institutions (rules) have taken over?
- Are these informal rules appropriate by being conducive to service delivery?
- How does the prevailing set of institutions affect service outcome?

Production steps for cash-transfers:

- Provision of information about the program
- Getting access to the application process
- Application process
- Application screening and checking beneficiaries' eligibility (targeting)
- Decision on accepting or rejecting the application
- Processing recipients' files
- Intraorganizational financial transactions
- Possibly, tendering out and contracting
- Provision of benefits (possibly by multiple actors)
- Monitoring and supervision (including report-writing system)
- Voice mechanisms

Potential problems:

- Informal rule systems override formal eligibility criteria as regards the decision whether an applicant is eligible.
- It takes long to get assistance.
- Application procedures are complicated and discourage especially the needy ones who may be illiterate and live far away.
- Access to the application process is restricted or difficult.
- Corruption undermines fair service delivery.

Production steps for feeding programs:

- Planning (central or decentralized)
- Administration
- Targeting
- Tendering, bidding, contracting out
- Production
- Distribution
- Storage
- Provision and serving
- Monitoring and supervision
- Voice mechanisms

Potential problems:

- Targeting is ineffective, since it is not applied.
- Targeting leads to distortions.
- Storage and storage facility is inadequate.
- The supervisory system is inadequate and therefore allows managers to engage in self-granting practices.

Production steps for public work programs:

- Planning
- Selection of program and location (community driven or central) – also as part of geographic targeting
- Setting up of force account
- Involving municipalities or local governments
- Setting of wage rate (targeting)
- Tendering, bidding, contracting
- Training of workforce
- Construction of infrastructure
- Wage payment procedures
- Monitoring of local contractors by the public sector
- Data collection for M&E, cross-checks on project costing
- Voice mechanisms

Potential problems:

- Excess or inadequate demand for the program (participation level)
- Choice of ‘wrong’ participants (non-poor) if demand exceeds supply
- Contracts are incomplete.
- There are few small-scale contractors capable of preparing bids.
- The tendering is ineffective due to lack of transparency and corruptive practices.
- The tender board is not neutral and independent.
- At the program management level, there is no capacity available to collect data (as to the numbers employed, duration, amount of transfers, poverty analysis).
- There are no incentives built in for workers and program managers to ensure the quality of assets created.
- The rights of the poor are not protected vis -à-vis program managers and contractors.
- The wage rate is not adapted to local circumstances.

Production steps for human development vouchers:³³

- Planning
- Coordination with human development services, setting up arrangements and information data base
- Provision of information to potential beneficiaries
- Access to application process
- Application process
- Application screening and eligibility assessment (targeting)
- Processing recipient’s file
- Financial transactions
- Provision of benefits (vouchers)
- Monitoring and supervision, coordination of information flows on beneficiary compliance
- Voice mechanisms

Potential problems:

Services received on the basis of vouchers are of lower quality.

Voucher holders sell their vouchers.

Non-eligible persons receive benefits.

Staff does not provide services to voucher-holders, but instead asks for informal payments.

³³ This list does not take into account the process and necessity of ensuring that human development services meet adequate standards of quality.

Summary and implications:

What are the main deficits and problems?

What are the implications on service outcome?

Which aspects require change? Which aspects can realistically be changed?

6. Organizational and institutional capacity of (potential) implementing agencies

Methods:

Document review: Country studies, sector work

Document analysis: organigrams, vision statements, staffing plans, work plans,

Interview with ministerial staff, field workers, regional sector staff, regional administrative staff, beneficiaries, other involved/contracted actors

For the public sector, follow A.

For the NGO sector, follow B.

For the private sector actor, follow C.

A. Organizational and institutional capacity of the public sector

For each intervention or program component:

6.1. What is the safety net service provider's organizational capacity?

- Are staff numbers and their qualifications as well as skills adequate to meet the actual workload? (no over- or understaffing, no over- or under-qualifications)
- Is the unit provided with leadership, and with what kind?
- Is the staff committed and does it share a vision?
- Does the unit have sufficient resources to operate properly? including resources for
 - staff salaries
 - running and maintenance
 - activities
 - supervision and M&E
 - training and continuing education
 - computers and related facilities and items as well as maintenance
 - transport
- Is the unit able to mobilize sufficient resources?
- Does the unit undertake sufficient efforts to get adequate resources?
- Are resources spent according to budgets? If not, why not?³⁴
- Is there capacity (as regards time, knowledge, and financial resources) and willingness to periodically review and monitor service providers?
- Is the unit efficient in managing financial issues? (processing of funds in a smooth and timely manner, keeping accountability rules and requirements)
- Does the unit operate a functional MIS for its activities?
- Has the unit the technical knowledge for tendering and contracting?

³⁴ The previous questions of this set have been adapted from Orbach (2000).

6.2. How is intra-administrative accountability ensured?

- Are there pre-defined performance standards (i.e., a set number of outreach visits, a set number of beneficiaries)?
- Are service standards specified and published?
- Are service standards based on prior public consultation?
- Are providers audited annually for compliance and performance?
- Are audit findings of agency performance linked to identifiable rewards or sanctions for agency heads?³⁵
- To whom is the front-line staff accountable? (local, regional or central authorities)
- How is the front-line staff supervised?
- Who supervises the supervisors?
- Is there a coherent M+E system in place?
- Are there clear evaluation procedures on a regular basis?
- Does the prevailing administrative culture allow front-line staff to voice its concerns?

6.3. What set of (staff) incentives prevail and how does this incentive structure affect performance?

- What are the (field) staff's incentives to perform? (remuneration, benefits, reputation and professionalism, other)
Is the staff satisfied?
- Does the prevailing set of incentives make the staff perform?
- Is the staff monitored as to whether they apply procedures (e.g., eligibility criteria) correctly?
- Does the staff have specific motives to apply procedures according to their own agenda?
- Does the prevailing set of incentives allow for corrupt behavior and other self-granting practices?
- Does the data processing system open up opportunities to interfere in and manipulate the process for personal benefits?

6.4. Are there bottom-up accountability and voice mechanisms for recipients?

- What mechanisms exist for making people's voice and opinion heard by the service provider?
- Do people participate in problem identification?
- Do people participate in the planning and management of services?
- Do people feel that they have leverage over the service providers?
- What is the prevailing self-help culture? Do people voice themselves, or do they just exit and keep quiet?
- What is the administrative culture like? (hierarchical, top-down, creating fear among people; or egalitarian, based on co-operation and exchange, creating trust and confidence in state institutions)

6.5. What is the institutional and organizational capacity of committees involved in screening applications and making decisions?³⁶

³⁵ These previous five questions were taken from the Civil Service Assessment Toolkit, Manning.

- Who elects or selects the committee members?
- Do the members adequately reflect their constituency, i.e. the targeted beneficiaries? If not, why not?
- What is the percentage of women in the committee?
- Are there members that dominate in these committees? Does this have a negative effect?
- Do the committee members have sufficient technical understanding to undertake their tasks?
- Do they meet regularly? If not, why not?
- Is the committee functional and operational? (planning capacities, size, communication rules, moderation)
- What are the incentives for the committee members to do their job (well)? How are they motivated?

6.6. How do the service providers interact with other (public, NGO, church, or private) safety net actors?

- Is the public service provider informed about other ongoing safety net activities in the same catchment area?
- How does the public service provider interact/cooperate with other safety net providers?
- What would the public sector service provider like to improve or change within these relationships?
- Does the referral system between different program function? If not, why not?

Summary and implications:

Is there a fit between informal institutions and the formal political-administrative system?

What are the main deficits and problems?

What implication does this have for service outcome?

Which aspects require change? Which aspects can realistically be changed?

³⁶ It is important to note that there may not always be committees involved in this process.

B. Organizational and institutional capacity of the NGO sector:³⁷

6.1. What is the NGO's organizational structure, what are its objectives, activities and intervention approaches?

- What are the NGO's objectives?
- What activities does the NGO undertake?
- How old is the organization?
- What is the organizational structure?
- Is the organization a membership organization, service organization, or other?
- How many groups or beneficiaries does the NGO serve?
- How does the NGO mobilize its target groups?
- How does the NGO mobilize its funds (including public funds and international sources)?

6.2. What is the NGO's organizational capacity?

- Are staff numbers and their qualifications as well as skills adequate to meet the actual workload? (no over- or understaffing, no over- or underqualifications)
- Does the NGO have clear leadership?
- Is the staff committed and shares a clear vision?
- What is the NGO's funding base?
- Does the unit have sufficient resources to operate properly? including resources for
 - staff salaries
 - running and maintenance
 - activities
 - supervision and M&E
 - training and continuing education
 - computers and related facilities and items as well as maintenance
 - transport
- Is the organization able to mobilize sufficient resources?
- Does the organization undertake sufficient efforts to get adequate resources?³⁸
- Is the unit known to be an efficient financial agent? (processing of funds in a smooth and timely manner, keeping accountability rules and requirements)
- Is there capacity to periodically supervise the service delivery staff? (rules and plans, resources, willingness)
- Does the unit operate a functional MIS for its activities?
- Are there clear evaluation procedures on a regular basis?
- Does the NGO have adequate planning and management capacities?
- Does the organization have capacity and experience in bidding and contracting?

6.3. How is intraorganizational accountability ensured?

- Are there pre-defined performance standards? (i.e., a set number of outreach visits, a set number of beneficiaries)
- Are service standards specified and published?
- Are service standards based on prior consultation with target groups?

³⁷ The term NGO is used as a generic and includes church providers as well.

³⁸ The previous questions of this set have been adapted from Orbach (2000).

- To whom is the front-line staff accountable?
- How and how often does the NGO supervise and monitor its front-line staff?
- Is there a coherent M+E system in place?
- Are there clear evaluation procedures on a regular basis?

6.4. What set of (staff) incentives prevail and do these incentives explain performance or malperformance?

- What are the (field) staff's incentives to perform (remuneration, benefits, reputation and professionalism, other)?
Is the staff satisfied?
- Does the prevailing set of incentives make the staff perform well?
- Is the staff monitored as to whether they apply procedures (e.g., eligibility criteria) correctly?
- Does the staff have specific motives to apply procedures according to their own agenda?
- Does the prevailing set of incentives allow for corrupt behavior and other self-granting practices?
- Does the data processing system open up opportunities to interfere in and manipulate the process for personal benefits?

6.5. What bottom-up accountability mechanisms exist?

- What mechanisms exist that enable people to voice themselves and to make their opinions heard?
- What mechanisms exist that allow people to make service providers responsive to them?
- Do people feel that they have leverage over the service provider?
- Do people participate in problem identification?
- Do people participate in planning and management of services and monitoring?
- What is the organizational culture like? (hierarchical, top-down, creating fear among people, or egalitarian, based on co-operation and exchange, creating trust and confidence in state institutions)
- What is the community's view on the organization? (acceptance and legitimacy)

6.6. What is the institutional and organizational capacity of committees involved in screening applications and making decisions?³⁹

- Who elects or selects the committee members?
- Do the members adequately reflect their constituency, i.e. the targeted beneficiaries? If not, why not?
- What is the percentage of women in the committee?
- Are there members that dominate in these committees? Does this have a negative effect?
- Do the committee members have sufficient technical understanding to undertake their tasks?
- Do they meet regularly? If not, why not?

³⁹ It is important to note that there may not always be committees involved in this process.

- Is the committee functional and operational? (planning capacities, size, communication rules, moderation)
- What are the incentives for the committee members to do their job (well)? How are they motivated?

6.7. How does the NGO relate to other (public, NGO, church, private) safety net actors and other organizations?

- How does the NGO interact/cooperate with the local government and the local administration, in particular with safety net providers?
- Is the NGO satisfied with the current relationship?
- What would the NGO like to improve within this relationship?
- Does the NGO feel hindered by the local administration/government or by other state organizations? In what way?
- In case of contractual arrangements, does the public sector transfer NGO funds on time?
- What would the local administration or the local government like to improve within these relationships?
- What is the local government's/local administration's perception of the organization?
- How does the NGO interact/cooperate with other NGOs?
- What would the NGO like to improve within these relationships?

C. Organizational capacity of the private sector actor:

6.1. What is the agent's organizational capacity?

- What are its products or services delivered?
- What is its market like?
- Is it financially viable?
- Is the staff qualified?
- Does the staff have the appropriate mix of skills deployed at the right level?
- Does it have the right technology?
- Is it provided with leadership?
- Does it have local production or service delivery locations that correspond to the safety net intervention strategy?
- Does it seem to be able to reliably deliver the products or services under subject?
- Does it have a good reputation? What is the local government's perception?
- In case the agent has been contracted with by the state, what has been the previous relationship like? (mutual respect of agreements and contracts or breaking of agreements and conflict)
- Does the agent seem to identify itself with the product or service that it is supposed to deliver?
- Is the agent able to react flexibly to unexpectedly upcoming events?

Summary and implications:

Is there a fit between informal institutions and the formal political-administrative system?

What are the main deficits and problems?

What implication does this have for service outcome?

Which aspects require change? Which aspects can realistically be changed?

What can we learn from voluntary sector providers as regards the organizational and institutional setup of service provision?

Does their organizational and institutional setup account for better outcome?

7. Community characteristics and community capacity

Methods:

Document review: Country studies, webpage, sector work
Interview with country representative and country specialists, NGO (umbrella) representatives, community leaders, community committee members, community members (including beneficiaries of programs)

7.1. How is the community organized?

- What organizations exist within the community? (village councils, traditional village structures, development committees, self-help groups, parent-teacher associations, etc.)
- What is the nature of community leadership?
- Is the social structure hierarchically stratified or rather egalitarian?

7.2. What kind of self-help culture prevails?

- Do people voice themselves, or do they just exit?
- Do the villages have key communicators?
- Is there a culture of voluntarism and self-reliance?
- Is there a tradition of community-based services?
- Is there strong cohesiveness, collective action or rather an individualistic environment?
- Has the community managed development activities before and what is the experience like?

7.3. What is the institutional and organizational capacity of community committees?⁴⁰

- Who elects or selects the committee members?
- Do the members adequately reflect their constituency, i.e. the targeted beneficiaries? If not, why not?
- What is the percentage of women in the committee?
- Are there members or groups that dominate in these committees? What effect does it have?
- Do the committee members have sufficient technical understanding to undertake their tasks?
- Do they meet regularly? If not, why not?
- Is the committee functional and operational? (as regards planning capacities, size, communication rules, moderation)
- What are the incentives for the committee members to do their job (well)? How are they motivated?

⁴⁰ This section refers to community committees and similar structures, from which we can estimate and draw lessons regarding the successfulness of a community committee for community targeting.

- Is there a skill base and/or experience of planning, procurement, planning, credit and financial management, contracting, etc.?

Summary and implications:

Given these community characteristics, is community targeting a feasible solution?

What are the main deficits and problems?

What implication does this have on service outcome?

Which aspects require change? Which aspects can realistically be changed?

8. The NGO sector and interorganizational relations

Methods:

Document review: Country studies, sector work
Interview with country representative and country specialists, NGO representatives, ministerial staff

8.1. What is the nature of the (national) NGO sector?

- Are there a national NGO forum or NGO umbrella organizations?
- What is the size of the NGO sector?
- How many of these are involved in safety net related activities?
- Do the NGOs see themselves as mere service providers or as civil society actors that constructively interact with local governments and the state?
- How do the NGOs interact among each other?

8.2. How do the public, private and voluntary sectors interact with each other?

- How do the state and the NGO sector interact with each other? (cooperation, support, trust, complementarity, or lack of co-operation and support, mistrust, and rivalry)
- In which context or by means of which institutional arrangements do public, private, and NGO actors interact and meet?
- Are there intersectoral consultative bodies/structures?
- Do the different organizations trust each other? Or do the relationships suffer from (historical) legacies?
- Are NGOs seen as equal partners in the development process, and are the relationships friendly?
- What kind of contracting culture prevails?
- What kind of contracting experiences are available? (transparent bidding and tendering and process, NGOs receiving the full amount of promised funds; or bribing and informal payments, etc.)

Summary and implications:

What are the main deficits and problems?

What implications does this have on the system's performance?

Which aspects require change? Which aspects can realistically be changed?

Tool 2: INSTITUTIONAL DESIGN

Most of the answers to these questions are to be derived from Tool 1: the institutional assessment .

1. Institutional home of the safety net system

- Which ministry or organizational body is best suited for constituting the institutional home? (considering the results of the institutional and organizational capacity assessment, public support, synergies and linkages with other programs, etc.)

2. Policy-making and coordination unit

- Where should a coordination unit be established? (Ministry, President's Office, Prime Minister's Office, ...)
- Which actors are relevant and must be involved so as not to exclude anybody and create conflicts?
- Which institutional-organizational structure best guarantees and fosters broad-based stakeholder consensus and commitment?
- What are the weaknesses of the policy-making and coordination unit?
- Does the policy-making and coordination unit require institutional redesign/change?
- What kind of capacity strengthening activities are necessary?

3. Provider choice and institutional arrangements for safety net service delivery

These key questions can be applied for an institutional assessment of a safety net system, a new program to be planned from scratch, or an existing program.

Based on the safety net expert analyses (as regards the most adequate targeting mechanism, cost-effectiveness, and coverage of various provider alternatives, political-economic analysis) as well as the safety net expert suggestions that guided the focus of the institutional assessment, the institutional analyst can estimate which option—namely which provider choice and related thereto which institutional arrangement—is the most viable, whether it is in line with the prevailing interorganizational relations and with locally accepted and legitimized institutions and norms. Most importantly, this entails anticipating service provider behavior and performance.

Hence, the answers to the following questions should help in guiding the provider choice and identifying the most adequate institutional arrangement for safety net service delivery:

- What are the organizational and institutional problems? (institutional assessment: results of Tool 1)
- How can these problems be solved?
- Does it call for **changing** the structure and institutions (rules and incentives) to affect desired outcome? (institutional design and institutional change)

These are exemplary questions:

- Should tasks and functions be more clearly distributed?
 - Is decentralized service provision a way to increase performance?
 - What type of financial arrangement seems to be most conducive?
 - Will a different actor in charge of information dissemination increase access for the most needy people?
 - What kind of changes in the incentive structures are required to make staff carry out their tasks satisfactorily?
 - What is required to make supervision work?
 - How can intra-administrative accountability be increased?
 - How can bottom-up accountability and voice mechanisms for the recipients be improved?
 - How can corrupt practices be impeded?
 - Will a community targeting mechanism work given the prevailing community characteristics?
 - How should committee members be selected to make them more representative and more accountable to the voiceless?
 - Given the diversity of actors involved in a program and given the prevailing interorganizational relationships, how should contracts be designed?
 - Is contracting out a viable option?
 - How can the tendering process be improved?
 - In case of a program being shifted from one ministry to another, will there be losers? How can they be compensated?
- Does it call for **improving** the prevailing structure and institutions (rules and incentives) to affect desired outcome? (see Tool 3: institutional capacity strengthening examples)
 - What should the new structure, the process, or the institution be like in order to increase outcome?
 - What critical actions have to be taken to achieve the program objectives, and which players have to take them?
 - What kind of incentives and institutions are necessary to ensure that critical actions will be taken?⁴¹

⁴¹ The previous two questions are adapted from Berryman et al. (1997: xx).

4. Harmonization with other programs

Harmonization with other programs requires an analysis (or at least a document review) of the existing (donor) safety net programs and of the safety net related programs, such as health care, agriculture, education, gender and development, social development funds, etc., as well as civil service reforms to search for the intersections and linkage points to exploit synergies.

Harmonization takes place as regards:

- Space
- Contents
- Approaches

The harmonization process is ultimately inductive and depends fully on the prevailing programs as well as the country context. It is beyond the scope of this toolkit to outline possible entry point and measures.⁴²

⁴² For examples of such entry points and measures see Mathauer (2001): Institutional assessment of the Nutrition Program Senegal. Pre-appraisal mission report, HDNHE Nutrition Thematic group, World Bank, Washington D.C.

Tool 3: EXAMPLES OF INSTITUTIONAL (RE-)DESIGN AND CAPACITY STRENGTHENING POSSIBLE RECOMMENDATIONS

This section provides a selection of possible institutional capacity gaps and respectively recommends entry points for institutional change and institutional capacity strengthening. As outlined in Part 1, institutional capacity strengthening is also very much about addressing software aspects.

Before applying these recommendations, each of these examples must be assessed on the effect the institutional redesign and/or institutional and organizational capacity strengthening will have on the performance of service delivery or on the system’s performance.

Gaps in institutional design and institutional capacity	Possible recommendations
<p style="text-align: center;"><u>General institutional capacity strengthening measures:</u></p> <p style="text-align: center;">Regular supervision Regular evaluation Quality circles⁴³ at the central and local levels Improving accountability and transparency Publishing information</p>	
<p>The policy making/planning body is weak due to organizational capacity gaps, such as</p> <ul style="list-style-type: none"> - Staff shortages, - Lack of human resources/skills, - Lack of leadership, or - Inadequate communication structures. 	<p>Provide skills training and guide process of organizational development (participatory problem analysis and solution finding process).</p>
<p>The coordination and policy-making unit is marginalized by, and not connected with, other ministries—it lacks political support, and suffers from rivalry, and thus has little impact.</p>	<p>Facilitate meetings among the actors; facilitate discussion on inter-organizational relationships and solution finding process to overcome inter-organizational problems. Introduce inter-ministerial committees to involve other ministries and build up capacity for moderating these committees.</p>
<p>Some relevant actors are not included in the coordination process; the policy-making and coordination process is hence not broad-based, thereby not overcoming duplication, and impeding</p>	<p>Widen the coordination structure and include all relevant actors; facilitate moderation of initial meetings to overcome cooperation barriers and other interaction difficulties.</p>

⁴³ A quality circle (being a tool for quality management) refers to a regular discussion process of experts to reflect upon problems and ways to overcome or reduce them.

wide consensus and commitment.	Expand the publication of information about the coordination process and the civil society's role to encourage their participation and self-inclusion in the process.
There is no lead actor, the relevant actors are not involved, and there is a lack of interest, commitment, and ownership, which renders the coordination body weak and ineffective.	Discuss reasons why relevant actors are not involved; develop procedures to integrate the relevant actors, foster commitment, ownership, and identification by making them participate in decision-making and activities, strengthen their involvement and interest through work groups, create incentives for them to participate.
Certain actors dominate in the coordination body; thus the coordination body is not successful in coordinating the various actors.	Provide training in moderation, support development of a detailed implementation manual (e.g., rotation of chairing), prescribe rules and incentives that strengthen each member's participation, set up <i>modus operandi</i> , communication and decision-making rules.
Intraministerial communication is poor, thereby losing out coordination and cooperation benefits as well as program coherence.	Foster organizational development process, initiate problem analysis of communication structures, and facilitate a solution-finding process.
There is no feedback to service delivery agents and no (regular) program adjustment due to highly centralized program structure.	Identify program components and production steps that are appropriate for decentralization; support development of a supervision scheme.
There is a lack of organizational capacity at the level of the implementing agencies: - Lack of planning and management skills - Cumbersome procedures. - Lack of information base and lack of IT processing skills	Provide skills training and guide process of organizational development. Support access for the implementation actors to information via the internet. Provide training in IT processing skills.
Data processing procedures are cumbersome.	Provide technical advice on simplifying data processing.
Supervision is insufficient, because of - Lack of resources, - Lack of supervision culture - Lack of incentives for supervisors. Thus, front-line staff are not guided and not checked up on their performance.	Provide technical advice on budgeting for supervision activities. Provide technical advice on setting up a supervision workplan. Decentralize supervision by integrating it into local administration.
The application process is lengthy and cumbersome.	Provide technical advice in identifying redundant structures, and simplify the process.
Potential beneficiaries do not know about the programs.	Support the work of the information and communication staff. Make information available through a variety of

	channels (TV, radio, newspapers, posters, events, theatre, ...).
Access to the application process is difficult.	Change access procedures (e.g., make application forms easily accessible through out-reach centers), support provision of information on where to get application forms.
Social workers are not easily accessible.	Introduce office hours for the social workers during which they can be met. Support participatory reflection process (including the community) of how to improve accessibility of social workers.
Staff incentives are inadequate and fail to motivate staff to carry out their tasks.	Rethink remuneration and other benefits to find a balance between staff obligations and staff needs; in particular, set up a system that guarantees the payment of transport allowances.
Front-line staff lacks orientation due to lack of guiding performance targets.	Design performance targets. Introduce and institutionalize regular supervisions and evaluations.
There are no clear eligibility criteria.	Support formalization process of eligibility criteria and anticipate possible (dis-)incentives resulting from these criteria and adjust accordingly, until expected behavior is conducive to program objectives.
Targeting mechanisms produce perverse incentives as a side-effect, such as the attempt to manipulate the fulfillment of the eligibility criteria on the beneficiary's side, and tendency to engage in rent-seeking or biased interpretation and application of eligibility criteria by the provider), thus undermining program coverage and program objectives.	Examine a number of different targeting mechanisms as regards the providers' and people's expected behavior to identify the one with the least distortions and highest orientation to program needs. Strengthen transparency, accountability as well as voice-mechanisms and inform potential beneficiaries about the process, their rights and obligations (through publication of information). Introduce and institutionalize regular supervisions and evaluations.
The staff of a program are not technically able to carry out the targeting, due to lack of skills and lack of technical resources (e.g., lack of data base, lack of computers, ...).	Train the staff in the respective targeting mechanisms. Introduce simple data base (e.g., simple excel sheets) and train staff in applying it.
The committee that screens and decides on applications is not representative, and is biased in its composition.	Change selection procedures of committees (e.g., direct community elections, or proportional composition according to interest group size). Introduce and institutionalize regular supervisions and evaluations.

<p>Potential recipients are not actively identified, so that the most needy ones are left out.</p>	<p>Identify organizations or actors (e.g., community workers) and train them for active identification process of potential recipients.</p>
<p><u>Contracting:</u></p> <p>The prevailing interorganizational relations impede partnership and contracting arrangements, and thus synergistic interaction for service delivery are not developed.</p> <p>The tendering process is biased and dominated by personal interest, and the selection process is nontransparent.</p> <p>Top-down contracting and lack of negotiation on the contract reduce the NGOs' flexibility, innovation potential, and willingness to cooperate.</p> <p>Contracts are incomplete and "bad," in that providers do not need to perform to "fulfill" the contract.</p> <p>Contracts are breached and distorted by corruption; the contracting actor (e.g., state agencies) does not pay the contractor (e.g., an NGO).</p>	<p>Facilitate networking process (forum, round table and other interaction forms) to improve communication and foster cooperation.</p> <p>Set up a broad-based commission that involves civil society actors to set up bidding criteria and to oversee the tendering and bidding process.</p> <p>Facilitate the development of a partnership-based approach of contracting.</p> <p>Provide technical advice and training in contract writing; set up mechanisms that allow for regular review of contracts; reset the incentives and payments schemes.</p> <p>Set up audits and install voice mechanisms that are linked to a high project management level to allow contractors to forward complaints to the program management; include civil society actors in contract management and monitoring.</p>

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Annex 1

Below is a more detailed insight regarding institutions, validity,

Box 1: Operationalization of institutional capacity

Institutional capacity refers to the functioning of relevant and adequate “rules of the game” within an organization or between organizations to achieve the organization’s or the organizational system’s mandates and tasks, and to adjust continuously to new challenges.

While not comprehensive, the following institutions listed below are considered key:

- Formal work practices, rules of behavior and regulations that specify the intra- and inter-organizational division of labor and how a service is delivered
- Informal work practices, rules and regulations that determine the intra-and inter-organizational division of labor and how a service is delivered in practice.

In particular:

- **Accountability mechanisms**

An accountability mechanism allows people and users (the so-called “principal”) to succeed in obliging the “agent”, namely political representatives such as councilors, or the service provider, to be responsive to their concerns.

Ideally, for accountability to be existent, the people or the users need to have leverage over those in charge of serving them. Accountability mechanisms must generate appropriate incentives for the “agent”, i.e. service provider or the administrators to behave in the interest of the “principal”, i.e. the people. Thus, accountability mechanisms constitute institutional arrangements that allow for monitoring and sanctioning the agents’ behavior.

Examples of accountability mechanisms comprise voice mechanisms, democratic elections to elect representatives, hierarchical control and rules, audits, and exit options.

Intra-administrative accountability, which refers to the relationship between local councilors (the “principal”) and the administrators or the health administration (the “agent”), is about making the administration follow the decisions taken by the council.

Political accountability specifically refers to the relationship between people (voters) and the representatives, in which people have leverage.

- **Financial responsibility mechanisms**

A financial responsibility mechanism serves to ensure the most favorable balance between costs and outputs, namely efficiency and cost-effectiveness, in a situation, where providers or decision-makers want to maximize their benefits. In their actual institutional shape, the mechanisms that establish accountability usually also provide for financial responsibility.

- **Staff incentives (remuneration and sanctions) that are in balance with their obligations**

This means that the prevailing staff (dis-)incentives ensure that office-holders or providers apply their expertise and efforts to the benefits of their clients, whoever these are, against other prevailing incentives of pursuing individual interests and personal benefits.

Remuneration and incentives do not only have to be financial or material. Incentives complements or supplements include professionalism and professional satisfaction or satisfaction by fulfilling other norms, such as altruism or solidarity.

- Compliance rules with the existing work practices
Compliance mechanisms constitute incentives and disincentives that ensure that office holders and service providers comply to the work practices.
- Cooperation and coordination mechanisms to produce synergies and to offset destructive power imbalances between organizations.
- An institutional home

Box 2: Judging validity

When doing qualitative research, it is important to be aware of the interviewee's own truth, which obviously may differ tremendously between individuals and different groups. For example, civil servants or NGO front-line staff may want to make the interviewer believe that their services delivered do not give cause for complaint. Likewise, the "truth" may be distorted when respondents unknowingly provide a wrong answer. In order to find out what we can consider objectively true, we must take into account what people are expected to say on the basis of their interests and motives. In case of two contradictory statements, triangulation with a third source will often help. When triangulation is not possible, we have to rely on our instincts to judge the validity of the respondents' versions of the truth (Mathauer 2001). Formalized into an interpretative framework, more weight should be given to the statements of those respondents who have the least incentive to hide or distort information, rather than weighing every statement equally. In other words, we will believe some people more than others—that is, credibility rather than internal validity is used as the criterion for evaluating "truth" (cf. Yacht 1992: 605). Key informants—for example country office staff or expatriates, because of their observer status—may provide valuable help in reflecting about the various versions of the truth.

Box 3: Logic and steps of an institutional analysis for an existing system/program⁴⁵

This box is a summary of Tool 1-3.

Problem Analysis

What are the overall key problems in relation to the safety net interventions that should be addressed with the institutional analysis and the capacity strengthening activities?

There may be a problem at the policy and planning level or a lack of coordination within the safety net system. Likewise, there may be concerns about the inadequate outcome (poor cost-effectiveness, access, coverage, benefit package, etc.) of one specific or several safety net interventions. These problems are usually identified by safety net specialists or known from the initial mission.

Institutional Assessment

Tool 1

What is the policy making and planning process like? How are safety net actors coordinated?

- What are the formal structures, rules, and procedures?
- What is the process like in reality?

How are services delivered?

- What are the formal service delivery structures, rules, procedures, and processes?
- What is the service delivery process in reality; how are rules and procedures applied in practice?

This question is to be applied for all service delivery steps.

How can we explain low performance?

- Is it because formal rules are inadequate?⁴⁶

It may be the case that formal procedures are not existent for some components of the service delivery process.

- Is this because of the gap between formal procedures and informal reality?
- Is it because of (financial or technical) resource shortcomings?
- What accounts for the gap between the formal procedures and the informal reality?

An institutional analysis that assesses the institutional and organizational capacity as well as the context will shed light on this issue.

⁴⁵ This box is a summary of Tool 1-3.

⁴⁶ Obviously, this question is slightly tricky. We may certainly ask whether a formal rule is inadequate and whether it needs to be changed. However, when there is no alternative institution, then we may rather have to look at and change or improve the enforcement rules surrounding that formal institution under question in order to support its functioning.

Institutional Design

Tool 2

How can we improve performance?

- Is there need to change the institutional design?

Institutional Capacity Strengthening

Tool 3

How can we improve performance?

- Is the institutional design adequate, but is there a need to strengthen institutional and organizational capacity?
- What effect will institutional redesign and/or institutional and organizational capacity strengthening have on the performance of service delivery or on the system's performance?

Tool 3 provides examples of institutional design and institutional and organizational capacity strengthening.

Box 4: Logic and steps of an institutional analysis for a new program

Problem Analysis and Selection of Safety Net Interventions

What are the problems, and what safety net interventions are proposed by safety net experts?

Institutional Assessment

Tool 1

What kind of safety net activities exist already in the country?

Which organizations should be taken into account for further study whether they are potentially adequate providers for the planned interventions?

These may be the ones that deliver already other safety net services.

What is the institutional and organizational capacity of the existing safety net actors?

What is the institutional and organizational capacity of the organizations in mind?

(as regards related activities)

Is performance adequate? If not, how can we explain low performance?

- Is it because formal rules are inadequate?

It may be the case that formal procedures are not existent for some components of the service delivery process.

- Is this because of the gap between formal procedures and informal reality?
- Is it because of (financial or technical) resource shortcomings?
- What accounts for the gap between the formal procedures and the informal reality?

An institutional analysis that assesses the institutional and organizational capacity as well as the context will shed light on this issue.

Institutional Design, including Institutional Choice

Tool 2

Which organization or organizations seem to be most potential and adequate to provide and deliver the planned safety net intervention

Is there need to improve their performance?

If so, how can we improve performance?

- Is there need to change the institutional design?

Institutional Capacity Strengthening

Tool 3

Is there need to improve their performance?

If so, how can we improve performance?

- Is the institutional design adequate, but is there a need to strengthen institutional and organizational capacity?
- What effect will institutional redesign and/or institutional and organizational capacity strengthening have on the performance of service delivery or on the system's performance?

Tool 3 provides examples of institutional design and institutional and organizational capacity strengthening.

Annex 2:

An exemplary case study: The Public Assistance Program in Molvarisam⁴⁷

1. Introduction

The Molvarisamese economy cannot support extensive redistribution as a way to reduce poverty. Thus, safety net policies must provide a minimum level of support to those in need while enhancing the capacity for economic growth.

In order to understand the context and the constraints for the safety net system, we should be aware of the following issues. First, Molvarisam is a racially divided society and polity with different ethnic groups, including a small native population, being by large the poorest group. The party system reflects the ethnic divide, and the native population is not equally effectively represented in the political system. Further, Molvarisam is very centralized and oriented towards the capital, economically and politically.

Secondly, we have to be aware of the geographical specifics: 90% of the population live in the coastal strip, the majority of these in the capital. 10% of the population lives in the riverine and hinterland areas. These are very difficult to reach. As there are very few roads crossing the rainforests, travel usually requires a boat or a plane. But even the connections between the capital and other coastal areas are tricky, as ferry services on the major rivers make the crossing from one side to the other time-consuming and costly.

Molvarisam is faced with huge challenges. Its efforts must be assessed against this. Thus, while the institutional analysis that follows pulls out the critical issues and problems, it must be clearly noted that Molvarisam has succeeded in establishing a functioning public assistance system. What remains to do is to make it more efficient and effective, to improve targeting and really serve the poorest of the poor. This institutional analysis serves to illuminate how to do so.

2. About the Program

The monthly benefit of public assistance is about US\$6; this is a benefit amount of about 25% of the monthly consumption expenditure. The amount is generally considered to be inadequate, even though it compares with international experience.

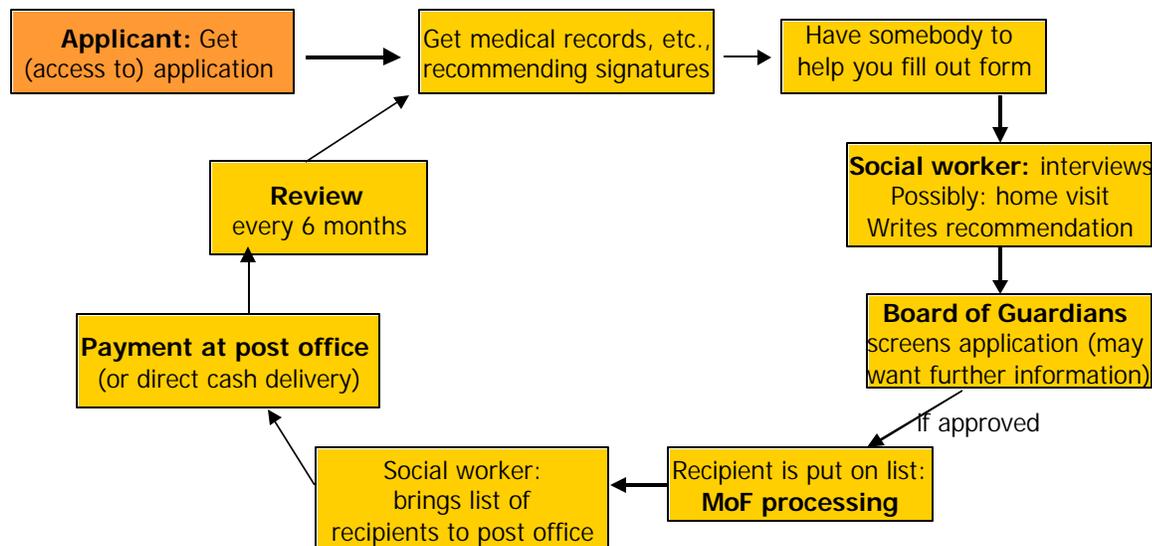
Beneficiaries are primarily single parents, widows, and families with many children without an income. Yet, the definition of eligible beneficiaries is not precise. According to key informants, receiving public assistance was previously perceived as a stigma. However, due to the economic crisis and hence hardship at the individual level, people indicate that there is now no stigma. Nevertheless, as explained below, participation costs are considerably high.

The Ministry of Labor, Human Services and Social Security (MLHSS) is not regionalized, and therefore social workers report directly to the center. Depending on the size, each region has one up to three social workers, usually with at least one senior staff. The program is centrally financed from the recurrent budget. Funds are channeled from the Ministry of Finance to the central post office, which makes payments at the local level through local post offices, where people receive their benefits.

⁴⁷ In this toolkit, a pseudonym (Molvarisam) is used. For the full version of the case study, see Mathauer 2002.

3. The Service Delivery Process

This diagram outlines the service delivery process in detail:



Access to the application process

The program is not widely known, as there is no public information policy. It seems that those most in need do not always know about the program. Rather, information is spread through information gatekeepers. It appeared that the access to information is not uniform and that community members have better access when they are part of patron-client networks. Nor is there a fully formal(ized) process of getting access to an application form.

Application process

Once the applicant has received an application form, s/he must acquire a number of documents according to the case (e.g., medical report proving physical disability, inability to work, birth documents, etc.) as well as a recommending signature from a respected community member (e.g., teacher, judge, priest). While the requested information is certainly needed, it must be noted that this process is accompanied by considerable participation costs on the side of the prospective applicant.

Application screening and checking beneficiaries' eligibility

Based on the application, the social worker will carry out an interview with the applicant. While this is no means-test, it serves to get an indication on the applicant's income situation. If the person is considered eligible, the social worker then endorses a recommendation and forwards it to the Board of Guardians (BoG, whose role is explained below). It screens application on the basis of mere common sense, as the BoG members say themselves, since they have received only some initial training and are not trained in social service issues. Nor is the BoG's practice supervised. As a result, the Board's practice is not uniform. BoGs have been characterized by the minister of being mere "rubber stamps" that accept applications without further scrutiny. This is

confirmed by the social workers, who state that their recommendations are most often followed. However, it has also been reported by them that the BoG would sometimes reject an application for nontransparent reasons that are not based on technical arguments.

The role of the local Board of Guardians

The (usually 5-6) members of the BoG are usually better-off community members with a certain affiliation to the ruling party of the local government.

The members of the BoG are nominated by the Regional Development Council or the Regional Executive Officer according to the local government election schedule. Given this selection process, the majority of BoG members are closely related to the parties and are usually better-off community members.

The key problem during this stage is that there are no formalized and clear eligibility criteria for approving benefits. Social workers could not provide any documents that spelt out the eligibility criteria, nor could the ministerial staff. In practice, who is in need can thus be interpreted flexibly in a patron-client system. Moreover, all the technical staff admitted that they had been confronted with interference from higher levels regarding whom to put on the list of beneficiaries. On the other hand, there is also some abuse from the recipient's side, such as applying twice for public assistance in two different regions, or providing incorrect information in order to be considered eligible.

In sum, being accepted as an eligible recipient requires overcoming a variety of hurdles, which are not fully controllable by the applicant, given the extent of patron-client relations and racial division. A large number of key informants state that they do not feel that the most needy benefit from the program. This is confirmed by the small (and unrepresentative) number of beneficiaries interviewed, some of whom did not seem to belong to the most needy.

No clear explanation was found on the mechanisms of how the number of newly accepted beneficiaries is controlled in order to keep in line with the approved budget ceiling.

Processing recipients' files and intraorganizational financial transactions

After an applicant is accepted, the social worker enters the file in the (hand-written) database, which is forwarded to the MLHSSS and then to the Ministry of Finance. The ministry transfers the monies to the central post office. Local post-offices pay the benefit package out of their local post office income. It was noted that transfers are not always made on time and that the ministry is usually in arrears.

Provision of benefits

Payments are made monthly. If the post officer finds the person's name on the list that was provided by the social worker, the money is paid out. If this is not the case, the post officer cannot make payments. While not common, there are instances when a person's name is not found on the list. There are a variety of reasons for this. It may be a mere technical error (e.g., the name was dropped from the list in the process of copying the previous month's list to the next one). However, a considerable number of respondents also stated that these procedures open up opportunities of manipulation, namely letting a name drop on purpose from the list, if the social worker did not want the recipient to benefit for whatever reasons. It is usually too much of a

hassle for a recipient to report the error and to inquire of the social worker if this happens for one month only. But there are also some cases when people did indeed report and inquire.

It does happen now and then that social workers do not deliver the spreadsheet with all the names of recipients to the post office on time. In this case, the post office cannot make payments. Finally, in the past, there have been some embezzlement cases where it was found that social workers and post officers had shared the benefits a recipient was entitled to. Since the social worker is a gatekeeper both in terms of upward as well as downward information flows, there is not much effort to pursue and hide such practices.

Monitoring and supervision (including report-writing system)

Social workers write a short monthly report outlining the key activities. This reporting procedure is rather cumbersome and time-consuming. Whether these reports are followed up adequately is unknown, but feedback on them is rare. Once a month, all social workers are supposed to meet in the ministry in Georgetown with the chief social worker. Given the large distances and difficult access to Georgetown from some regions, and given the fact that transport costs are only refunded after actual expenditure, some social workers may not attend these monthly meetings. Likewise, it appeared that support supervision at the local level does not take place regularly, again due to the distances, but also possibly because of lack of funds. In general, the supervision culture is weakly developed.

As the regional administration does not have the mandate to supervise the social workers either social workers are often unsupervised, which is resented by the regional administrators. The regional administrators are often the first to receive complaints from beneficiaries (e.g., complaining about not receiving their benefits).

Voice and complaint mechanisms

In principle, in case of dissatisfaction or complaint, recipients have to contact the social worker. If that does not lead to a solution or satisfaction, they can approach a senior social worker in Georgetown. Again, given the geographical circumstances, this is very inconvenient and costly, not to mention the prevailing hierarchical administrative culture that may keep people from forwarding their complaints to senior civil servants. Further, a number of key respondents mentioned that people in general do not know about the procedures or the process. As they do not want to be harassed when trying to get the necessary information, they rather give up, more so since there is already a stigma surrounding public assistance.

Although not formally established as a voice mechanism, people voice their concerns at the regional administration, either to the Regional Democratic Council chairperson or the Regional Executive Officer, since they are more accessible. People consider them (logically) as the first point for addressing their concerns. Yet, again, since the administration does not know about the social workers' program, they are unable to adequately refer people (e.g., on the right day to find social workers in the office or in the respective reception center). In sum, voice and complaint mechanisms are poorly functional and ineffective.

4. Organizational and Institutional Capacity

Staff numbers and qualification

The placement of staff in terms of numbers does not correspond to need. In some areas only a very small proportion of the poor is reached, since there is usually only one social worker in the region. Further, there are also serious concerns as regards social workers' qualification and skills. In some regions, an accountant has taken over the post of a social worker, working part-time for the social service office.

Financial resources for recurrent costs

Apart from the overall lack of strategy on how to distribute resources and to increase coverage, there is no indication that operational funds lack at the local level. One noteworthy exception is transport allowances. All social workers reported that they are not having their transport and field allowances. Due to inadequate time, it was impossible to find out the exact reasons for this. One factor may certainly be inadequate budgeted resources for transport allowances. However, inferring from other countries where non-payment of allowances is a recurrent practice, it may be the case that these resources are diverted in other ways.

Accountability and performance

Social workers are not guided by performance standards, that is, their work is not specified to meet targets. Nor are there specified standards. As the front-line staff is thus only formally accountable to their superiors, i.e., the chief social worker, they are not effectively supervised (this is also due to the fact that supervisors are not efficiently supervised by their superiors).

Remuneration and incentives for social workers

The junior social workers seemed quite dissatisfied with their situation. They felt that inadequate care was taken in relation to their concerns (going into slums without adequate preparation and without adequate transport means, working overtime without compensation). All the social workers interviewed mentioned that they are not paid their transport allowances and that they end up paying out of their own pockets. Another factor for dissatisfaction is the perceived non-transparency in promotion and the provision of benefits. Furthermore, at Georgetown, the social workers sit in very small, open, hot, loud, and partitioned areas, which do not provide a quiet work environment or privacy for clients. Finally, it was noted that often the information provided to front-line social workers is inconsistent and arbitrary.

All in all, the incentive structure is suboptimal, since it does not specifically enhance the social workers' performance. The administrative culture (i.e., the intraorganizational culture within the ministry) does not impede social workers from voicing their concerns, but it also does not promote it in a particular way, so that ultimately needs and concerns are not satisfactorily taken up by the superiors.

Accordingly, from the point of view of the social worker, it is very rationale to engage in some embezzlement and self-granting practices in order to make up for the inadequate remuneration—more so in a society where corruption is not unknown. As monitoring and supervision schemes are weak and as the manual data processing system is open for manipulation, the “costs” of such practices are rather low.

Bottom-up accountability, voice mechanisms, and self-help culture

As mentioned above, there are no functional and effective voice-mechanisms, nor does the program structure offer institutional mechanisms for people's or community participation in problem analysis, planning, and monitoring of services. It seems that people do not feel that they have leverage over the service providers. Likewise, voice is not the automatic response to dissatisfaction with services. People would equally exit and engage in self-help.

Interaction with other organizations and actors

In some regions, social workers (are invited to) take part in the regional technical committee of the regional administration; in others, however, they do not, because they do not want to or because they are not invited. This non-participation is problematic, as it impedes information exchange. Problems may be reported to the regional administration, and while the matter may not be part of the core tasks of social workers, their expertise may still be needed. Likewise, the non-integration of social workers into regional matters impedes the generation of synergies that may arise from intersectoral cooperation.

In sum, a number of formal rules required for the proper running of the program are absent or they are not appropriate. Further, informal rules and practices operate, but these do not always prove to be appropriate either. The Public Assistance Program hence suffers from the following problems.

Inadequate formal rules

- The most needy lack information about the program and the process.
- Access to the application process is restricted or difficult.
- The number of applications is restricted.
- Application procedures are complicated.
- The community has no say in the composition of the BoG, which is based on a highly discretionary decision of the minister and the cabinet.
- It takes long to get assistance and administrative procedures are bureaucratic and cumbersome.
- Complaint mechanisms are inadequate.

Distorting informal rules

- Social workers and members of the BoG are gatekeepers.
- The BoG is not independent, but rather another manifestation of the patron-client system.
- Informal rule systems (patron-client networks) override formal eligibility criteria in deciding on eligible applicants.
- The non-computerized system leaves plenty of room for manipulation at a variety of levels.
- The payment system via the post-offices cannot impede corrupt practices.⁴⁸
- Corruption undermines fair service delivery.

⁴⁸ As there seems to be no better alternative to this system, we do not question the adequacy of this formal institutional arrangement, but rather we have to look for institutions that support the functioning of this payment system.

Hence, these institutional deficits explain why the administrative costs are high (an estimated 20%), taking away resources for higher coverage, and why the most needy do not sufficiently benefit from the program.

5. Recommendations for Institutional Change and Institutional/ Organizational Capacity Strengthening

Policy and planning

- Refine the public assistance policy and strategy as to who is eligible, as to the coverage goal, the benefit amount.
- Set targets that orient the regional allocation of resources according to the poverty incidence.
- Make eligibility criteria available in written form and make them simple so that applicants can understand them.
- Set a clear goal on the maximum administrative cost allowable.
- Provide technical support to the budgeting process: It must be ensured that sufficient resources for supervision and transport allowances are provided for.
- Make the program more accessible and present in the hinterland areas by collaborating with and making use of the local structures of the Ministry of Amerindian Affair, the Ministry of Local Government, and the Ministry of Health.
- Shift more social workers from the coastal areas to the hinterland and/or recruit new ones

Application process

- Institutionalize an active identification process of potential recipients by informing and training community workers and village councilors.
- Systematize the distribution of applications, and make it transparent to all.
- Social workers and community workers should be the only ones that provide application forms. (Board of Guardians should not be involved in this activity in order to avoid a conflict of interest). Likewise, NGOs and churches/mosques and other organizations that come in contact with the needy should either have the applications or access to them.
- Have an information campaign on the Public Assistance and Old Age Pension Program (radio, TV, posters), so that the program and its procedures are easily understood by the public.

Application screening

- Formalize eligibility criteria.
The government should specify the safety net policy and get clear about who should be targeted in the first place: This calls for formalizing and systematizing the interview by the social worker. Specific criteria must be spelt out to assess the needs of an applicant (e.g., housing, (informal) employment, number of children).
- Revise the composition of the Local Board of Guardians and involve the community in the composition process.

The Neighborhood Democratic Councils should decide and appoint the members (Their party affiliation is weaker so that it is assumed that orientation to local needs and circumstances is greater).

- Limit the term of BoG members.

Processing recipients' files and intraorganizational financial transactions

- In the medium term train social workers in using simple excel data sheets to prepare recipient lists for the line ministry, ministry of finance and the post office.
(This refers to those regional administrations where computers are available.)
Provide training to staff from Accounting Section, once the MLHSSS becomes a sub-accounting ministry.
- Analyze processing and financial transaction to identify bottlenecks as regards time and effectiveness.
- Set performance goals of maximum time to process a case.

Provision of benefits

- Announce publicly when money at the post office can be picked up in order to avoid recipients trying to pick up their money in vain.
(Announcements can be made on a poster outside the post office and/or the regional administration, as well as via radio).⁴⁹
- Reflect on whether there are other means of paying beneficiaries in far distant regions (rather than delivering cash physically every 3 months).⁵⁰

Accountability and performance

- Introduce performance targets for social workers (e.g., a defined percentage of cases have to be based on home visits).
- Provide orientation to social workers within a region as regards the total number of applicants to be reached in a given time period (based on the poverty incidence and current levels of coverage).

⁴⁹ At the same time, this creates transparency on where the bottleneck is. Also, it puts pressure on the Ministries to meet the standards.

⁵⁰ Time constraints did not allow for gathering more information. One of the open questions is: Could schools via headmasters be a viable and effective institutional setup to make payments to beneficiaries? In this case: How do teachers receive their salary?

Remuneration and incentives

- Improve working conditions of social workers: Social workers must be paid their transport allowances.
- Introduce incentives for excellence.
- Introduce sanctions for poor performance (i.e., when social workers do not do home visits or office hours at the reception centers).
- Introduce conducive communication structures within the Public Assistance Department to provide voice mechanisms to the social workers.
This involves facilitating an open discussion process on communication problems in the past and facilitating the development of a new vision and concrete suggestions of how to communicate together in the future (e.g., monthly “open space” sessions, a sort of ombuds(wo)man within the Ministry, regular staff meetings).
- Facilitate the discussion and reflection on a more conducive organizational structure that makes junior staff feel respected and appreciated (support organizational development process).
- Improve working conditions of social workers: Social workers must be paid their transport allowances.

Monitoring

- Introduce random checks of the BoG’s work of accepting and rejecting applications to see whether eligibility criteria are strictly followed.
- Have regular monitoring and support supervision sessions with social workers by senior staff. For example, this includes random audits and IT-based comparisons of recipient list that went to the Ministry of Finance with the one that went to the post office.
- Introduce a simple data system for monitoring by means of excel tables that delivers information on coverage and efficiency (including data on the numbers of program beneficiaries, the budget, estimates of unit costs, etc.).
At the same time, such a simple data system reduces the cumbersome manual work. Further, it allows for checking upon double applications (e.g., with the simple “Find”-function).
- Undertake particular efforts in monitoring whether social workers have received their transport and field allowances.

Supervision

- Have REO supervise the social workers.
- The supervisory relations must be clearly spelt out in order to set correct incentives for both the supervisees and the supervisors.
- Integrate social workers into the Regional Technical Committee in order to strengthen information exchange and cooperation.
- Deconcentrate the Public Assistance Department (regionalization).
This implies that social workers have to report administratively to the REO from whom they receive their salaries, while they report to the mother ministry as regards technical matters.

Voice mechanisms for recipients

- Carry out client interviews on user satisfaction.
(i.e., train community workers in carrying out client interviews)
- Introduce and formalize voice mechanisms for recipients.

In the short term, the focal point could be the Regional Executive Officer or the Regional Democratic Council Chairperson. In the medium term, local governments may have an ombuds(wo)man.