

# Capacity Assessment for Regulators in WASH

## How-to Guide



September 2021



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## Acknowledgements

This How-to Guide and Excel Tool has been developed to undertake the Capacity Need Assessment of the WASH regulators by WaterAid with support from Kirsten De Vette and Puneet Kumar Srivastava. It draws from various assessment methodologies and literature on effective regulation.

The organisational capacity assessment (in the Excel Tool) is developed based on the original version of the Capacity Assessment Tool created by McKinsey and Company for Venture Philanthropy Partners ([www.vpppartners.org](http://www.vpppartners.org)) and published in Effective Capacity Building in Nonprofit Organizations (2001). This has been extensively adjusted and simplified using other tools, and informed priorities using World bank report on Regulating Water Supply and Sanitation in Bank Client countries (2018), Building blocks for Water Governance and the IWA Lisbon Charter. The enabling environment, performance assessment, the staff capacity assessment and summary sections were added by the authors following a similar format.

The How to Guide and Tool was reviewed by the Water Aid Technical Support Group including: Ada OkoWilliams, Andrés Hueso, Dedo Mate Kodjo, Evelyn Mere, Louisa Gosling, Mbaye Mbeguere, Min Sidhu, and Tommy Ka Kit Ngai. Subsequently, we would like to acknowledge that this guideline and tool would not have been possible without those involved in the pilot with the Lagos State Water Regulatory Commission (LASWARCO) including Ms Funke (Executive Secretary) and Management Team from LASWARCO, Evelyn Mere and Adebayo Alao (WaterAid Nigeria) and Lookman Oshodi and team from Arctic Infrastructure in Nigeria.

Lastly, we would like to acknowledge the global review group who provided a final review to this How to Guide and Tool namely: Alana Potter, Rob Fuller, Tommy Ka Kit Ngai, Louisa Gosling and Tara Bartnik (WaterAid).

# Defining key terms

**Capacity** – the ability to perform functions, solve problems and set and achieve objectives (Fukuda-Parr & al. in OECD, 2003).

**Capacity assessment** – part of a process of engaging stakeholders, assessing capacity assets and needs using standardized process or formal instruments, developing a capacity response, implementing the capacity development response, and evaluating (adapted from UNDP 2008 and Corporation for National Community Service 2017).

**Capacity development** – capacity development as the process through which individuals, organizations and societies obtain, strengthen and maintain the capabilities to set and achieve their own development objectives over time (UNDP, 2008).

**Enabling environment/Institutional** – describes the broader political economic system within which individuals and organizations function and that facilitates or hampers their existence and performance. It includes formal and informal institutions (adapted from UNDP, 2008).

**Performance** – effectiveness (mission fulfillment), efficiency (accuracy, timeliness and value of service and program delivery), ongoing relevance (the extent to which an organization adapts to changing conditions and its environment), and financial viability in delivering the mandate of the organization and its functions (adapted from Institutional and Organizational Performance Assessment, 2021).

**Organisational capacity** – describes the organization's leadership & planning, systems & processes, Position & communications and performance & evaluative capacity that enables them to perform functions (adapted from UNDP 2008, OECD 2003).

**Individual/staff capacity** – Staff's knowledge and technical & functional skills available to perform functions, solve problems and set and achieve objectives (adapted from OECD 2003).

**Regulator Authority, Regulatory body or Regulator** – public authority responsible for applying and enforcing standards, criteria, rules or requirements – which have been politically, legally or contractually adopted – exercising autonomous authority over the Services, in a supervisory capacity (Lisbon Charter, 2015).



# 1

## Introduction

**Regulator Authority, Regulatory body or Regulator – public authority responsible for applying and enforcing standards, criteria, rules or requirements – which have been politically, legally or contractually adopted – exercising autonomous authority over the Services, in a supervisory capacity. (Lisbon Charter, 2015)**

► The Executive Secretary, Lagos State Water Regulatory Commission giving her opening remark during a meeting with stakeholders on water regulation in Lagos state, Nigeria.



Regulator Authority, Regulatory Bodies or Regulators (in subsequent sections when we mention Regulators we include all those defined above) can have a positive impact on delivering water and sanitation services. In some countries well developed, in some just starting, many regulators would like to strengthen their capacity. The starting point of strengthening capacity is properly assessing its capacity and performance.

### What is the guide and tool?

The *How to Guide* and accompanying Excel based Tool guide the assessment process to identify capacity gaps, the reasons why those gaps are there, and the potential opportunities to overcome those gaps.

The assessment includes a:

- 1. Performance Assessment and baseline study:** review the performance of critical functions.
- 2. Capacity Need Assessment of the Regulator or department responsible for Regulation:** assess capacity gaps in enabling environment, assess the organization and the staff capacity, and prioritise gaps<sup>1</sup> that must be addressed.

Upon finalization of the Need Assessment, areas of priority and support can be identified, and the Regulator can take the next step of developing a capacity development and/or performance improvement plan.

1. The staff capacity assessment does not look at individual performance of each staff member. Instead it will put its focus (i.e. Mandate/functions) central and allow the managers to assess what knowledge, technical skills, functional skills they do or do not have to fulfill those functions. It will provide overall knowledge or technical/functional skill gaps that can be used by the human resource department to base in-depth training plan on.



► From left to right: Lookman Oshodi (Consultant to WaterAid Nigeria); Adebayo Alao (Head of Programme, WaterAid Nigeria); Funke Adepoju (Executive Secretary, Lagos State Water Regulatory Commission) and Wandoo Akosu (State Programme Lead, Bauchi – WaterAid Nigeria).



## Who is the guide and tool for?

This *How To Guide* and accompanying Excel based Tool is developed for Regulators or those public authorities responsible for applying and enforcing standards, criteria rules or requirements and can be taken up by WaterAid country offices to initiate engagement with the regulator.

## How long does it take to do the capacity assessment as described in the how to guide and tool ?

The duration of the process is a total of two weeks. However, considering ongoing work of regulators, the entire process of the assessment should be planned over the course of approximately 2 months.

It requires time of several of the staff members. In particular the management team members (or senior management if no management team is formally existing) will be requested to provide up to 10 Full time Equivalent (FTE) days each worth of inputs.

A selected group of staff members will need to provide 1 day of input, and all staff members are requested to fill in an anonymous survey that can take a maximum of 30 minutes. It is ideal to have the meetings facilitated by an external professional facilitator (i.e. WaterAid Country Staff) to ensure all voices are heard.

## How is the How To Guide and Excel based Tool organised

The *How to Guide* describes what you are assessing (Chapter 2), provides an overview of the steps and provides detailed guidance per step on how to fill in the Excel based Tool (Chapter 3). The How to Guide thus helps to deliver the end result – a fully filled Performance and Capacity Assessment of the Regulator (Excel Tool).

The detailed guidance describes per step a) who is involved b) how to arrive at the output c) what are the materials needed and d) tools (i.e. Proposed Workshop schedule/aide memoire). Color coding, numbering, and screenshots helps you to navigate from the how to guide to the Excel Tool tabs. The last chapter (Chapter 4) describes the principles for a successful assessment process.



## Key capacity development domains

WaterAid commissioned a review of existing capacity assessment tools (in and outside of the sector), as well as a literature review on capacity assessment, capacity development and regulator capacity in the water and sanitation sector.

With four key interacting levels of capacity development (Wehn & Alaerts, 2015) – enabling environment, organizational, individual and society – it was decided that the assessment of capacity as a regulator should be limited to the following three levels:

- An analysis of its broader **enabling environment** – this allows for key challenges (i.e. Items beyond the influence of you as a regulator) and opportunities (i.e. A way to increase your influence or position) to be identified in which you can increase your capacity to deliver on your mandate.
- An assessment of the **organizational capacity and performance** – this allows you to identify capacity development areas that increase performance, and enable your staff to do their work efficiently, effectively and timely.
- An assessment of the **staff's capacity** – this allows the organization to identify knowledge/information gaps, as well as strengths and weaknesses in technical and functional skills to deliver on its mandate.

This allows you to address capacity gaps in a holistic way (e.g. a lack of knowledge of a staff member may be caused by the lack of a knowledge management system, or even be influenced by the limited information that flows from other stakeholders in the sector).

Within these three levels, the key capacity domains (Figure 1) were identified by analysing existing capacity assessment methodologies for common domains<sup>2</sup> and mapping this against areas stemming from three reports on effective regulation:

- a World Bank report: *Regulation for Water and Sanitation in low income countries* (Mumssen et al., 2018)<sup>3</sup>
- an OECD (2015) Report: *The Governance of Water Regulators*<sup>4</sup>
- and the *IWA Lisbon Charter* (2015)<sup>5</sup>.

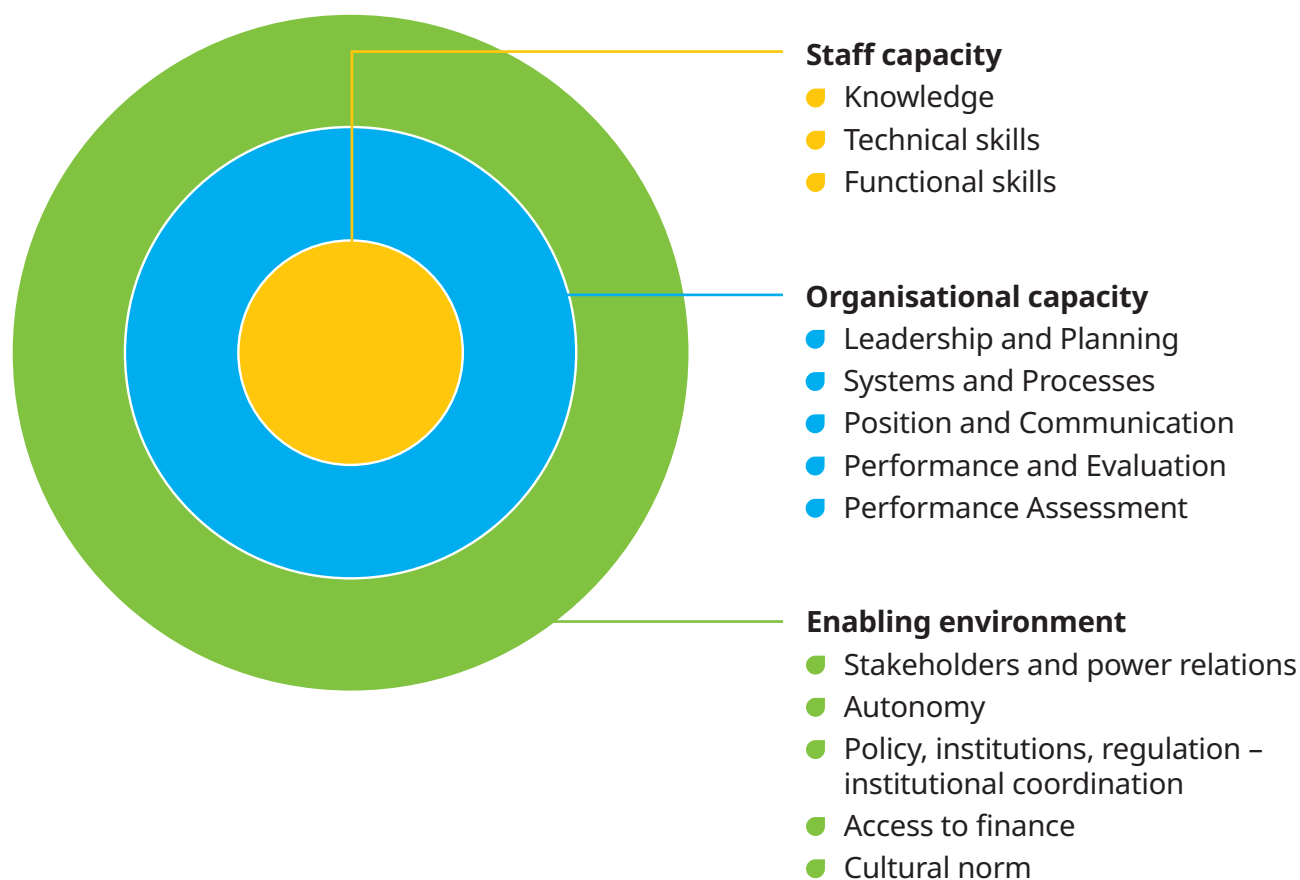
2. UNDP 2008; Mumssen 2018; The OECD Principles on Water Governance 2015; McIntosh and Taylor, 2013; Institutional and Organizational Performance Assessment, 2021; Develop a Capacity Development Plan, 2021; Eldridge, 2004.

3. The World Bank report listed key constraints for regulators to function properly to be found in the space of political economy (lack of coordination in PIR, limited budget, lack of autonomy, lack of transparency), organisational and individual (lack of finances, unrealistic time constraints, insufficient information), and individual level (poorly trained staff) which in turn gives a good indication of what is important to assess.

4. The OECD 2015 report talks about the governance structures of regulators and highlight the importance of autonomy, accountability, clear roles and responsibilities.

5. The IWA Lisbon charter describes the role that regulators can have. It is within analyzing these roles that one can derive certain important factors: Accountability Transparency, capacity to create a clear link between policy institutions and regulatory frameworks, Communication/stakeholder engagement and influencing power (towards policy makers, service providers and customers).

**Figure 1: Capacity development domains (note the colors of the circles coincide with the Excel based Tool Tabs)**

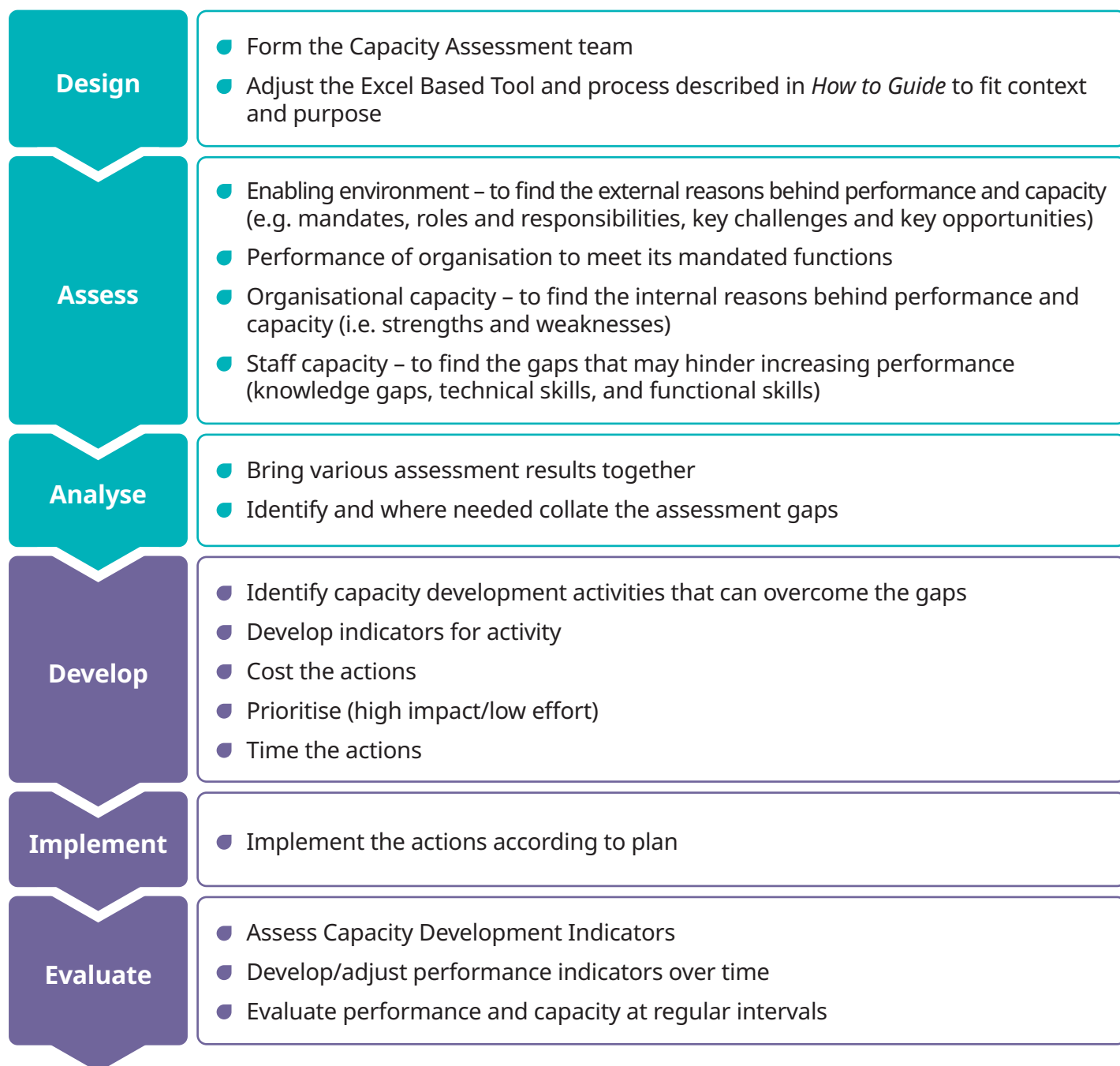


► From left to right: Engr. Mrs. Lanke Taiwo (Director Water Supply, Lagos state Ministry of Environment and Water Resources); Mrs. Belinda Odeneye (Permanent Secretary, Environmental Services, Lagos State Ministry of Environment and Water Resources); Tunji Bello, (Hon. Commissioner, Lagos state Ministry of Environment and Water Resources); Evelyn Mere (Country Director, WaterAid Nigeria); Funke Adepoju (Executive Secretary, Lagos State Water Regulatory Commission); Adebayo Alao (Head of Programmes, WaterAid Nigeria) during the official signing of MoU to support Water Regulation in Lagos state.



# Step by Step approach

It is important to acknowledge that the performance and capacity needs assessment is part of a larger recommended process that is illustrated in figure 2 below. This *How to Guide* and the Excel Tool focuses on the *Design, Assess, and Analyse* part.



**Figure 2: Capacity development process (UNDP, 2008), but adjusted to include staff capacity and include relevant steps for the Regulator/agencies with regulatory functions. This is a continuous process and as such the evaluation step brings you back to assessment stage.**



## 3.1 Capacity Assessment – Step by Step

This section zooms in on the application of the capacity assessment methodology. The table serves as a guide, and underneath the table a slightly more elaborate instruction is provided for all steps (the numbers correspond to the section numbering).

The colours match the colours of tabs in the Excel Tool.

\* External facilitator can be WaterAid; CAT – Capacity Assessment Team; MT- Management Team (if there is no formal management team the executive determines which senior managers are involved).

Steps	Output	What to do	Responsible (who leads the process)
<b>Design</b>			
<b>3.2.1 Developing the Capacity Assessment Team</b>	<ul style="list-style-type: none"> <li>• Team developed with roles and responsibilities</li> <li>• Team understands methodology</li> </ul>	<ul style="list-style-type: none"> <li>• Organise a meeting to:               <ul style="list-style-type: none"> <li>– Discuss objectives and outputs of methodology</li> <li>– Collect the necessary information (e.g. Strategic Objectives, Core Functions, KPIs)</li> <li>– Read Instructions Tab in Excel and make adjustments to light yellow cells in all Tabs.</li> </ul> </li> <li>• Prepare the kick off meeting</li> </ul>	Initiator (e.g. the Executive Director/ CEO/Managing Director or a senior manager (with approval from Executive))
<b>3.2.2 Kick off Meeting and Training of MT</b>	<ul style="list-style-type: none"> <li>• A common understanding of the assessment methodology</li> <li>• Adjustments made on methodology</li> <li>• Agreed timeline and responsible leads</li> </ul>	<ul style="list-style-type: none"> <li>• Interactive presentation and discussion of process, objective, outputs definitions, capacity development domains, methods</li> <li>• Discuss adjustments to methodology</li> <li>• Practice filling out the assessments and clarifying issues/questions</li> <li>• Discuss the lead responsible people and timeline</li> </ul>	CAT & External facilitator

Steps	Output	What to do	Responsible (who leads the process)
<b>Assess</b>			
<b>3.2.3 Assessing the Enabling Environment</b>	<ul style="list-style-type: none"> <li>The Enabling Environment assessment (green section) collectively</li> </ul>	<ul style="list-style-type: none"> <li>One person to prepare information relevant for the Stakeholder Mapping and Enabling Environment (review of laws, policy, and institutional arrangements, WASH situation)</li> <li>Workshop to 1) map stakeholders (see green Tab “stakeholder mapping”) and 2) review legislation, law, accountability, autonomy, access to finance (see green Tab “enabling environment”)</li> </ul>	<p>Manager with most relevant skills on laws/policies</p> <p>CAT</p>
<b>3.2.4 Rating the performance of Regulator</b>	<ul style="list-style-type: none"> <li>Anonymous individual Performance Assessment (blue section) from each manager</li> <li>One Performance Assessment with consensus from all managers including the key challenges and opportunities to fulfill its functions</li> <li>A list of 5 performance areas to act on</li> </ul>	<ul style="list-style-type: none"> <li>Managers fill in Dark Blue tab in Excel Tool “Performance Assessment” blue section</li> <li>Quick analysis to help organize workshop</li> <li>Workshop (2,5 hours) between MT includes discussing Dark blue Tab in Excel Tool “Performance Assessment” purple section by raising the Key challenges and Opportunities and actors that influence performance</li> <li>Identify top 5 functions areas that require attention and is within the regulator’s ability to do (e.g. Don’t mention change law if you do not have that power). You can review justification of the rating and identify possible actions (3)</li> </ul>	<p>Managers to fill</p> <p>CAT analyses and prepares workshop</p> <p>Workshop is facilitated by the external facilitator</p> <p>Outputs are the responsibility of the Capacity Assessment team</p>
<b>3.2.5 Assessing Organisational capacity</b>	<ul style="list-style-type: none"> <li>About 10 anonymous individual staff (including management) assessments on organizational capacity</li> <li>One organizational assessment with consensus from all 10 staff members</li> <li>A list of 5 priority areas in the organization to act on now (that will have impact on multiple capacity domains)</li> </ul>	<ul style="list-style-type: none"> <li>Individually fill in the Light blue Tabs in the Excel Tool (or copy in Word) and send to CAT</li> <li>CAT to perform analysis of the responses prior to the workshop</li> <li>Workshop (see guidance in section 3.2.5) on the Organisational Assessment Tool – discuss the responses given, and agree on common answers</li> <li>1 x 90 minutes to discuss the priorities to act on (both assessment of the enabling environment and Performance Assessment can be used here also to cross examine) and also</li> <li>Identify 5 areas to act on in longer term, and 5 areas that will be delayed (a) as Regulator has no influence at all, b) the impact of action is not worth it</li> </ul>	<p>CAT is responsible for ensuring staff do the assessment</p> <p>External facilitator collects, prepares for and facilitates the Meeting</p>

Steps	Output	What to do	Responsible (who leads the process)
<b>Assess (continued)</b>			
<b>3.2.6 Staff Capacity</b>	<ul style="list-style-type: none"> <li>One assessment of Staff capacity with consensus from all</li> <li>Identified strengths and gaps in capacity</li> <li>A list of prioritised interventions</li> </ul>	<ul style="list-style-type: none"> <li>Organise an MT meeting to arrive at the roles per function</li> <li>MT prepare themselves for the workshop having reviewed their respective teams using the Yellow Tab in Excel Tool – Staff Capacity)</li> <li>A workshop for the MT Start with the high priority functions (copy priority score from Performance Assessment tab to Column H)</li> <li>Discuss and document per function the roles that are key to deliver</li> <li>Discuss and document the key strengths and gaps of the team in terms of knowledge and tools available, technical skills, functional skills</li> <li>Survey all staff: Technical, Administrative and Support staff</li> </ul>	CAT with Human Resource Manager

Steps	Output	What to do	Responsible (who leads the process)
<b>Analyse</b>			
<b>3.2.7 Analyse</b>	<ul style="list-style-type: none"> <li>Identified Priority Areas for Capacity Development in each Capacity Development Domain</li> <li>Reference can be made to the suggested format of a Capacity Development plan</li> </ul>	<ul style="list-style-type: none"> <li>Review scoring to quickly allow you to assess overall performance (at all levels)</li> <li>Bring together the following lists: <ul style="list-style-type: none"> <li>List prioritized functions that have low capacity (and their key opportunities and challenges)</li> <li>List the organizational capacity gaps (i.e. List of things that can increase the score) that has been prioritized in light of the functions</li> <li>List staff capacity gaps that are part of high priority functions</li> </ul> </li> <li>Analyse for commonalities or similarities (i.e. high impact areas) using guidance</li> <li>Fill in Summary Sheet in RED Tab of Excel</li> </ul>	CAT

## 3.2 Steps with detailed guidance

This section describes in detail the steps described in Table 1. It covers the process from designing the Capacity Assessment Team (CAT), the assessment itself and how the analysis can provide a prioritized list of capacity gaps to build any actions on. Each section corresponds with a section of the Excel based Tool.

### 3.2.1 Developing the Capacity Assessment Team (CAT)

*Output: a team with assigned responsibilities for the process who understand the methodology*

Finding a dedicated team of people to take the responsibility for the capacity assessment and developing plans. Those senior managers that actively support or rally for change should be taking the lead. It is, however, important to involve: someone with a good overview of institutional context/enabling environment, a technical expert (lead) and human resource lead.

A professional external facilitator, who keeps oversight and who facilitates the meetings (and ensures all voices are heard), adds value to the output to assessment results. Hereafter, all references to CAT assumes an external facilitator is involved.

## How to arrive at output?

Assuming that the idea for the assessment comes from higher level management or executive office, it demonstrates that the CAT would need to be signed off by the executive office.

It is highly recommended that you request advice on who to involve, as well as the roles and responsibilities for the team (who could manage the project; who could be assigned to each major section of the assessment).

Subsequently, you should organise a meeting to:

- Discuss objectives and outputs for the assessment
- Confirm roles and discuss ways of working
- Discuss the Kick off Meeting and
- Read Excel Tool Instructions Sheet, adjust all light yellow sections in the tool and discuss the following information needed to adjust the Excel Tool, such as:
  - Grey General Information Tab:
    - The Mission and Strategic Objectives<sup>6</sup> (if any are available)
    - Responsible leader of CAT

### Tool for Capacity Need Assessment of Water Sector Regulators

Organization name	
Mission statement of the Regulator	
List the Strategic Objectives of Regulator	If there are no strategic objectives in place, a) it could be that it is referred to in different wording priority, objectives etc. b) you could mention the key priorities over next 2-5 years. (not operational objectives)
Level of Autonomy	Fully autonomous, partly autonomous, no autonomy from government / service providers

GENERAL INFORMATION	
NOTE: ALL MANAGEMENT TEAM MEMBERS NEED TO FILL IN THE PERFORMANCE ASSESSMENT AND STAFF CAPACITY ASSESSMENT, AND A SAMPLE OF STAFF FROM VARIOUS LEVELS NEED TO BE INCLUDED IN ORGANISATIONAL ASSESSMENT. THIS WILL ENSURE VALIDITY AND RELIABILITY OF ASSESSMENT OUTCOMES	
Department	
Name of Person responsible for the CNA and CD Plan	
Title of Person	
Phone Number	
Email	

Reference to Excel Tool: Grey Tab "General Information"

6. They may also be referred to as Priority Areas, Key Areas, Objectives. We do not mean Operational objectives, but long term objectives of the regulator/regulatory body.



## ● The Dark Blue Performance Assessment Tab:

Capacity Domain: Performance Assessment			
Performance Assessment across Core Functions of Regulators			
Assessment Focus: Insert objective: eg. Key Performance Indicators , base line , Performance score with Priority level, Challenges and Opportunities			
Core Functions	Key Performance Indicators (KPIs)	Baseline Assessment of KPIs [add year in which baseline is assessed as this exercise can be repeated]	Performance Score of Function (consider Performance definition: efficiency, effectiveness ongoing relevance, financial viability) 0 - no action taken 1- low performance 2 -medium performance 3- high performance
Insert Core Function 1 : eg. regulate water loss	List KPIs to deliver on Core Function 1: eg. % non revenue water	eg. 35% NRW ( 2020)	eg. 2
Insert Core Function 2 eg. Set Tariff	List KPIs to deliver on Core Function 2 eg. Subsidy scheme for the poorest implemented		
Insert Core Function 3 eg. Enforce Sanctions	List KPIs to deliver on Core Function 3 eg. number of cases of wastewater discharge taken to court		
Insert Core Function 4	List KPIs to deliver on Core Function 4		
Insert Core Function 5	List KPIs to deliver on Core Function 5		
Insert Core Function 6	List KPIs to deliver on Core Function 6		
Insert Core Function 7	List KPIs to deliver on Core Function 7		
Insert Core Function 8	List KPIs to deliver on Core Function 8		

Reference to Excel Tool: Dark Blue Tab "Performance Assessment"

- Core functions of the regulator – and repeat those in the Yellow Tab (Staff Capacity)
- Key performance indicators (KPIs) and
- If present the baseline of the KPIs including the baseline year. This allows your organization to reassess in the future and compare results.
- The Yellow Staff Capacity Tab
  - Core functions of the regulator – repeat those highlighted in Dark Blue Tab
  - Tasks to fulfil functions

Capacity Domain: Staff Capacity					
Assessment Focus: [ Insert objective: eg. To what extent is the staff of regulator is able to efficiently effectively and financially viable deliver its mandate and functions					
Functions	Tasks to fulfil the function (identify the roles that are required to fulfil the function and add rows accordingly)	Staff Capacity score - Insert from 1 (low), 2 medium, 3 high overall ability for staff to perform the functions	Knowledge & Tools available to staff		Technical Skills (Technical to a position and typical description)
			Strengths in capacity	Gaps	
Insert Core Function 1 eg. Regulate NRW loss	eg. Set Standards for Allowable percentages of NRW of public service providers  eg. Communicate with Public Service Providers on standards and penalties/ benefits eg. Monitor NRW eg. Technical guidance of service providers eg. Enforcement (monitor and write up penalties etc)		eg. knowledge on how to set standards is available, benchmarking data is available.	eg. Lack knowledge to increasing efficiency in networks	eg. Technical understand of the local water distribution networks and its effect on water
Insert Core Function 2 eg. Set Tariff	eg. Framework to deliver tariff to market  eg. Monitor prices eg. handle complaints by customers etc etc.		eg. knowledge on tariff schemes from around the globe	eg. lack of knowledge on inclusiveness of the poor	eg. Financial skills (understanding the bigger picture of cost recovery)
Insert Core Function 3 eg. Enforce Sanctions	eg. Set and monitor standards eg. Preparing a case eg. Take to court those not meeting the standards				
Insert Core Function 4					
Insert Core Function 5					

Reference to Excel Tool: Yellow Tab "Staff Capacity"

### 3.2.2 Kick off meeting

*Output: a common understanding of the objectives and expected outputs of the assessment methodology among MT; adjustments to the methodology, and agree on timelines.*

#### Who is involved?

- The management team (MT), including the executive director/CEO/Managing Director.
- You (the CAT (including External Facilitator) to lead the meeting.

#### How to arrive at output?

You (the CAT) are responsible to organize the meeting agenda and providing a strong argument (supported by the Executive Officer) for doing an assessment. It is important you present the objective and expected outputs, but allow an open discussion to adjust these to gain further ownership of the entire MT.

The methods presented in this How to Guide together with the Excel Tool should be presented, and some assessment parts in the Excel Tool could be practiced to truly be able to reflect whether adjustments are needed. After this, you can present a proposed timeline and discuss with the MT the feasibility of these timelines.

#### Example of a proposed timeline

Kick off Meeting	Week 1
Assessing the Enabling Environment	Week 2 – Preparation Week 3 – Workshop
Performance Assessment	Week 1 – KPIs and Baseline Week 3 – Preparation Week 4 – Workshop
Organisational Capacity Assessment	Week 3 – Preparation Week 4 – Workshop
Staff Capacity	Week 5 – Preparation Week 6 – Workshop
Analysis	Week 7 and 8

**Table 2: Proposed Timeline**

► Funke Adepoju, the Executive Secretary of the Lagos state Water Regulatory Commission delivering a welcome address during an online training on water sector regulation supported by WaterAid UK.



### 3.2.3 Assessing the enabling environment of the Regulator

*Output: a quick overview of relevant law & policies and one commonly agreed upon enabling environment assessment*

Capacity Domain: Enabling Environment		
Stakeholder Mapping with Roles and Responsibilities		
Assessment Focus: Stakeholder Mapping with roles and responsibilities, Interest and Influence Mapping and Mapping of Stakeholder Engagement		
Institutional arrangements		
Stakeholders	Mandated Role and Responsibility (this can be prepared by bringing to workshop the relevant laws/policies)	Role the stakeholder fulfills in practice
Start with Regulator	eg. economic regulation (tariff setting), and Wastewater regulation	eg. advice government on tariff setting, and set standards for wastewater discharge
eg. Utility	eg. to serve all urban population >15,000 population with piped water connection	eg. they serve 50% of all towns >15,000

Capacity Domain: Enabling Environment		
Enabling Environment Assessment		
Assessment Focus: Insert objective: eg. Assessment of levels of enabling environment parameters and ability of		
Enabling Environment Assessment parameters	CRITERIA FOR EACH PROGR	
	BASIC	DEVELOPING
	0 1	2
Legislation	0 - Legislation is confusing, with overlaps and lots of uncertainty 1 - Various legislations present with various gaps	2 - New legislations are on the way to fill the gaps that exist. No implementation is yet done
Policies	0 - Policies in place do not follow legislation 1 - Various policies are in place that to a limited extend follow legislation, and are not used for implementation	2 - Policies under development now, are following legislation and they are to a limited extend informing practice
Formal accountability mechanisms	0 - no rules accountability mechanisms (rules, responsibilities, reporting, review of performance or reaction with corrective measures) are in place 1 - a part of the accountability measures (rules, responsibilities, reporting, review of performance, and reaction with corrective measures) are drafted, but not acted on	2 - Rules are in place, responsibilities are assigned, reporting and monitoring mechanisms are available, and review of performance takes place, to react with corrective measures. It is transparently communicated but the public is not yet aware of their rights and responsibilities. However, this not yet openly available and transparently executed (eg no annual report published or communicated)
Autonomy	1. Regulator is the ministerial department	2. Regulator is independent body with advisory role

Excel Tool: Green Tabs "Stakeholder mapping" and "Enabling Environment"

### Who is involved?

- You (the CAT) to lead. WaterAid country team can act as the external facilitator.
- WaterAid country team can act as the external facilitator that is part of the CAT – prepares the workshop facilitation
- The management team (MT), including the executive director/CEO/Managing Director.

### How to arrive at output?

One of you, from the CAT members, will need to lead (with input from relevant managers) on the desk review of the institutional context in which the regulator operates to gain a full understanding on what are the key factors influencing the regulator's ability to strengthen its capacity? Both literature and input from MT on the following topics will help:

- Current laws, policy and institutional arrangements and its influence on the sector.
- Do any country characteristics play a role in the sector and how?

- The current WASH situation, the approach used (human rights/market based), technologies most used, and an analysis of areas where no access is provided, as well as main barriers.

The outcomes of the review should have to be presented to MT for validation. This meeting can be at the start of the workshop (Box 2) that is organised with entire MT to discuss:

- Stakeholder Mapping and Analysis – i.e. roles and responsibilities, interaction with the regulator, interest in and influence over regulation, degree of political interference and awareness of regulator's role.
- Enabling Environmental factors – i.e. legislation, policies, autonomy, accountability & Access to finance.

### Materials for workshop

- Post Its and stickers
- Flipcharts
  - Prepare three flipcharts to create a copy of the Institutional arrangements

Capacity Domain: Enabling Environment			
Stakeholder Mapping with Roles and Responsibilities			
Assessment Focus: Stakeholder Mapping with roles and responsibilities , Interest and Influence Mapping and Mapping of Stakeholder Engagement with Regulator			
Institutional arrangements			
Stakeholders	Mandated Role and Responsibility (this can be prepared by bringing to workshop the relevant laws/policies)	Role the stakeholder fulfills in practice	Overlap of roles with you as the regulator or body that has regulatory functions
Start with Regulator	eg. economic regulation (tariff setting), and Wastewater regulation	eg. advice government on tariff setting, and set standards for wastewater discharge	eg. Overlaps with environmental department who have set standards for wastewater discharge.
eg. Utility	eg. to serve all urban population >15.000 population with piped water connection	eg. they serve 50% of all towns >15.000	eg. the utility is also the asset owner and therefore setting up its own standards for municipalities to meet

Excel Tool: Green Tab "Stakeholder mapping – Institutional arrangements Section

- Either add the influence/interest columns next to this, or move the discussion onto the screen in plenary.

Interest / influence - Map interest / influence marking an x in the relevant blue columns, and describe in notes and remarks (any explanations for this)				
This actor is interested in the work you do	This actor has influence over you	This actor is influenced by you	This actor has potential conflict of interest with what you do as regulator	Notes/Remarks (any hidden rules/ explanation of working relations/ what motivates/ drives them)
NA	NA	NA	NA	NA
x	x			eg. the Utility CEO is placed through political agenda's

Excel Tool: Green Tab "Stakeholder mapping – Interest and influence Section

## Aide Memoire – additional questions for Stakeholders

How would you rate inequality between actors?  
 Who benefits most from your work?  
 How are the interactions between the actors?

**Box 3: Aide memoire get more insight in stakeholders (after the sheet elements are covered)**



## Workshop preparation and schedule Stakeholder Mapping

The External Facilitator should prepare all available materials, and if needed, even bring out print outs of relevant laws/legislation related to mandated roles.

### The proposed schedule for the workshop:

1. **30 minutes:** Map the stakeholders (focus on 10 most important stakeholders)
  - a. Map individually with post its
  - b. Discuss missing stakeholders in plenary
2. **60 minutes:** Discuss per stakeholder (finish stakeholders before proceeding)
  - a. Facilitator presents Mandated role (very briefly) – should be copied from legislation/policies
  - b. Discuss in plenary whether this role is different in practice – summarise after 3 reactions flipchart
  - c. Discuss in plenary if there is any overlap in roles with your role as regulator
3. **30 minutes:** Discuss interest/influence
  - a. Go on screen: Ask participants what they would rate (record) – summarise and ask for why? (hidden rules, motivations, drive)
4. **30 minutes:** Discuss the score of awareness (This could be an exercise that is done with the actual stakeholders present in the room, but otherwise gives a good indication of what the regulator thinks):
  - a. Ask participants to give their rating
  - b. After 3–4 inputs – summarise the collected scores, take the majority and seek for agreement
  - c. Any additional notes for the stakeholders
5. **Additional/optional:** Discuss the questions in the Aide memoire Box 3 or add them during steps 1-4.

### Workshop preparation and schedule Enabling Environment:

1. **30 minutes:** 3 most important Laws/policies
  - a. Present what was found in pre-work and discuss whether it is an enabler or barrier to progress of the regulator. Can you influence?
2. **60 minutes:** progress of the Water and Sanitation sector
  - a. Present progress, country sector characteristics, and the biggest barriers?
  - b. Discuss the barriers?
  - c. Is it in the mandate to tackle such issues (e.g. Inclusivity) If not in the regulator's mandate, do you see a future role for the regulator? Or is this responsibility elsewhere?
3. **30 minutes:** Enabling environment
  - a. 10 minutes – Individually review the sheet Enabling Environment and put a sticker to the score of your choice as well as assign a score (1-3) to the regulator's ability to change.
  - b. 20 minutes – to come to an agreement on the scores

## Box 2: Workshop preparation Stakeholder Engagement and Enabling Environment.

### 3.2.4 Performance assessment of the Regulator

*Outputs: one commonly agreed upon assessment (see Excel Tool: Yellow Tab “Performance Assessment”) and top 5 areas of performance to act on identified*

Capacity Domain: Performance Assessment			
Performance Assessment across Core Functions of Regulators			
Assessment Focus: Insert objective: eg. Key Performance Indicators , base line , Performance score with Priority level, Challenges and Opportunities			
Core Functions	Key Performance indicators (KPIs)	Baseline Assessment of KPIs [add year in which baseline is assessed as this exercise can be repeated]	Performance Score of Function (consider Performance definition: efficiency, effectiveness ongoing relevance, financial viability) 0 - no action taken 1- low performance 2 -medium performance 3- high performance
Insert Core Function 1 : eg. regulate water loss	List KPIs to deliver on Core Function 1: eg. % non revenue water	eg. 35% NRW ( 2020)	eg. 2
Insert Core Function 2 eg. Set Tariff	List KPIs to deliver on Core Function 2 eg. Subsidy scheme for the poorest implemented		
Insert Core Function 3 eg. Enforce Sanctions	List KPIs to deliver on Core Function 3 eg. number of cases of wastewater discharge taken to court		
Insert Core Function 4	List KPIs to deliver on Core Function 4		
Insert Core Function 5	List KPIs to deliver on Core Function 5		
Insert Core Function 6	List KPIs to deliver on Core Function 6		
Insert Core Function 7	List KPIs to deliver on Core Function 7		
Insert Core Function 8	List KPIs to deliver on Core Function 8		

Reference to Excel Tool: Dark Blue Tab “Performance Assessment”

In this performance assessment there will be a baseline assessment of the Key Performance Indicators (KPIs), a quick assessment of low, medium, high performance of all the core functions of the regulator, an analysis of key challenges, and opportunities to these core functions, and actors influencing the performance.

**Note:** The baseline assessment of KPIs should include the year of the baseline study, to allow for future performance assessments to compare against the results obtained now.

## Who is involved

- You (The CAT) to lead including the external facilitator (e.g. WaterAid )
- The relevant managers for core functions should be assigned with the task to fill out the baseline assessment of the Key Performance Indicators during the kick off phase already.
- The MT members.
- Optional but advised: External Constituents

## How to arrive at the output

The light yellow cells of the Dark Blue Tab “Performance Assessment” in the Excel Tool should have already been done during the initial stage of preparing the team and adjusting the methodology. This is not the rating of performance, but it gives insights into whether the regulator has performance indicators to understand how they are making progress, and the baseline of these indicators provides a departure point for future assessments.

For the actual performance assessment of all core functions, you (the CAT) should assign all MT members to independently fill in the performance assessment blue cells in the Dark Blue Tab “Performance Assessment” of the Excel Tool. Those individually filled Tabs should be send to the CAT who will analyse inputs to prepare their facilitation of the workshop. The workshop (Box 5) is to arrive at one validated performance assessment of your organisation.

## Materials

- Dark Blue Tab “Performance Assessment”  
– you can provide the Excel or add in Word format for individual rating
- Flipcharts
- Post Its
- Presentation of Baseline KPIs
- Strategic objectives of the regulator



▲ Participants during the PEA triangulation meeting on water regulation in Lagos state.

### Aide Memoire: Rating Performance

See Definition Box 1: The definition of performance is a good reminder for the managers to read before they individually assess performance.

Performance is effectiveness (mission fulfillment), efficiency (accuracy, timeliness and value of service and program delivery), ongoing relevance (the extent to which an organization adapts to changing conditions and its environment), and financial viability in delivering the mandate of the organization and its functions (Institutional and Organizational Performance Assessment, 2021).

### Box 4: Aide Memoire: Considerations in Rating Performance

## Workshop preparation and schedule

At the start of the workshop designed to discuss the performance assessment fully the baseline assessment can be briefly presented to all managers.

The External Facilitator's task is to analyse the inputs provided, prepare a presentation of the results (agreed scores, similar scoring, divergent scoring) and prepare for facilitation.

The workshop with MT – assuming no more than 6 people – should start with:

- 1. 30–45 minutes:** Discuss functions with divergent scoring
  - a. Discuss the justifications to find common ground
  - b. Discuss the alignment with strategic objectives (Annex 1) and priority score
  - c. Record on flipchart score, justification, alignment with strategic objectives and priority score

(**Note:** If there are more than 3 areas with divergent scoring the group needs to be split into two for time purposes. 30 minutes for the exercise, 15 to discuss and agree in plenary).

- 2. 30 minutes:** Discuss functions similar scoring
  - a. Discuss the justifications to find common ground
  - b. Discuss the alignment with strategic objectives (Annex 1) and priority score
  - c. Record on flipchart score, justification, alignment with strategic objectives and priority score

- 3. 15-30 minutes:** Discussing the agreed scores

- a. Agree on justifications, alignment and priority

- 4. 70 minutes:** Discuss and agree Key Challenges and Opportunities per function

- a. 20 minutes – 4 groups of two managers to focus on a group of functions
    - i. Individual post its with challenges and opportunities under each function (use aide memoire in Box 4)
    - ii. Group and formulate
  - b. 40 minutes: Present to group and discuss (10 minutes each group)
  - c. 10 minutes: Common Challenges and Opportunities across functions

- 5. 30 minutes:** Discuss Actors who influence the performance of the Regulator (you can refer to any outcomes in the stakeholder mapping exercise)

### Box 5: Guide Workshop Preparation and Schedule



Optional: Constituents can be requested/interviewed to rate performance of your regulatory functions format presented below.

Core Functions	Performance Score of Function (consider Performance definition: efficiency, effectiveness ongoing relevance, financial viability)  0 - no action taken 1- low performance 2 -medium performance 3- high performance	Justification for score (why is your score what it is. Consider performance definition: efficiency, effectiveness, ongoing relevance, financial viability)
Insert Core Function 1 : eg. regulate water loss	eg. 2	eg. Several actions have been taken to provide guidance to service providers for reducing NRW towards the standard levels. X number of service providers are already complying with the regulation of maximum 20% NRW levels, but in particular effort is needed for addressing NRW at public service level
Insert Core Function 2 eg. Set Tariff		
Insert Core Function 3 eg. Enforce Sanctions		

Reference to Excel Tool: External Constituents to provide Feedback using sections of the Dark Blue Tab “Performance Assessment”

### 3.2.5 Assessing organisational capacity

*Outputs: Consensus reached on one assessment of organizational capacity & a list of priorities to act on.*

Capacity Domain: Leadership Capacity					
Assessment Focus:[ Insert objective: eg. To what extent does leadership in the organisation enable the Regulator's ability to deliver its functions)					
Assessment Parameters	CRITERIA FOR EACH PROGRESSIVE STAGE				Score (1-8)
	Stage 1 (Basic)	Stage 2 (Developing)	Stage 3 (Advanced)	Stage 4 (Leading)	
	0 1 2	3 4	5 6	7 8	
<b>Vision</b>	0- No clear vision articulated or documented 1- little understanding of what organization aspires to become or achieve beyond the stated mission. 2 - shared or referenced by very few in the organization	3 - Some understanding of what organization aspires to become or achieve; 4- held by some in the organization and occasionally used to direct actions or set priorities	5 - Clear and specific understanding of what organization aspires to become or achieve; 6 - held by many within the organization and often used to direct actions and set priorities	7 - Clear, specific, and compelling understanding of what organization aspires to become or achieve; 8 - universally held within organization and consistently used to direct actions and set priorities	
<b>Mission</b>	0- No written mission 1- limited expression of the organization's reason for existence (lacks clarity or specificity); 2 - held by very few in organization rarely referenced	3 -Some expression of organization's reason for existence that reflects its values and purpose, but may lack clarity; 4 - held by some within organization occasionally referenced	5 -Clear expression of organization's reason for existence which reflects its values and purpose; 6 -held by many within organization and often referenced	7 -Clear expression of organization's reason for existence which describes an enduring reality that reflects its values and purpose; 8 - universally held within organization and frequently referenced	
<b>Overarching Goals</b>	0 - No goals. 1 - Vision exists but not explicitly translated into set of concrete goals. 2 - there may be vague ideas of goals inside the organisation	3 - Vision translated into a small set of concrete goals having only one of following attributes: clarity, associated measures, or time frame to measure attainment; 4- these goals are known by only a few and only occasionally used to direct actions or set priorities	5 - Vision translated into small set of concrete goals having two of following attributes: clarity, associated measures, or time frame to measure attainment; 6 - goals are known by many within organization and regularly used by them to direct actions and set priorities	7 - Vision translated into small sets of concrete goals that organization aims to achieve having all attributes of clarity, specific time frames and concrete measures for each goal; 8- goals are universally known within organization and consistently used to direct actions and set priorities	

Reference to Excel Tool: Light Blue Tabs: Leadership & Planning, Processes and Systems, Position & Communication and Performance& Evaluative Capacity

## Who is involved

- You (the CAT) including the external facilitator (e.g. WaterAid)
- Select the two Teams to do the assessment: The assessment of the organisation's capacity to deliver on its mandate is a process that requires staff from various levels in the organization to prepare the assessment.
  - Management Team – All MT members (if there are more than 6 in the MT take a random selection of maximum six of the Management Team)
  - Staff Team:
    - Randomly selected Technical staff – 2 staff
    - Randomly selected Administrative staff – 2 staff
    - Randomly selected Support staff – 2 staff

### Random selection

- Excel: Excel offers a nice way to select at random employees from a list – instructional video is here. <https://www.youtube.com/watch?v=68pZ0urMFkQ>
  - This would need to be performed for the list of Technical staff Administrative, and support staff in separate lists.
- There are other ways to do random selection but the above is probably quickest and most reliable to select at random

#### Box 6: Random Selection

## How to get the output

### Independent Assessments

Make a copy of the Light Blue Tabs of the Excel Tool together with the instructions (copied from instructions Tab), and share with all MT and staff members who have been randomly selected. As part of a proper preparation, they will independently fill in the assessment and provide this to you (CAT). Preferably, the External facilitator is assigned as the collector to keep the assessments completely anonymous.

### Analysis

You (CAT) analyse these four areas – Leadership & Planning, Processes and Systems, Position & Communication and Performance & Evaluative Capacity – to prepare the facilitation of two workshops (one for staff; one for MT).

### Workshop

The workshop is intended for you to bring the scoring together, and find consensus, whilst hearing all voices. It is therefore important that two workshops should be organised separately: one for staff and one for the MT. This will help ensure staff members feel comfortable to openly and honestly provide input without the fear for repercussions.

All those staff members (and MT members separately) who were randomly selected, should attend the workshop, and bring in their own preparation work. During the workshop the scores and justifications will become visible, and the aim is to develop consensus over the organisational capacity assessment. At the end of the workshop the priorities to act on should be identified. The priorities are those areas that score low, have high priority, come back various times in the assessment, and hence likely to influence multiple areas at the same time. For the schedule, and organisation of the workshop see Box 7 for guidance.

### Presentation

To the entire management team a presentation of the results of the two workshops needs to be presented to finalise the scoring.

In addition, a staff survey can be used to validate the findings from the organizational assessment (See ANNEX 1).

## Suggested facilitation methods and schedule for workshop – organizational capacity

### 1. Scoring and Justification: 4 hours

#### ● Facilitation methods:

- Market place – Flipchart in every corner of the room and allow groups of participants to pass by these one by one for assigning their scores.
- Group work – group work to prepare the work and justification,
- Plenary discussions – to discuss and gain consensus.

#### ● Tools:

- Flipchart in each corner of the room. One for Leadership, Processes & Systems, Position & Communication, and Performance and Evaluative Capacity

#### ● Suggested schedule:

- 30 minutes – assign your scores in post its (and one justification)
- 1 hour – In groups of 2 – group the justifications and review the score assigned that best fits

**Note:** if one group is done, ask them to support group leadership and processes

- 45 minutes – Leadership – scores and justification
- 45 minutes – Processes and systems – scores and justifications
- 30 minutes – Position & Communications – scores and justifications
- 30 Minutes Performance and Evaluation – scores and justifications

### 2. Discuss priorities and gaps (those are the identified areas that will improve their score): 90 Minutes

#### ● Facilitation method:

- Working Groups (4 groups of 2) to each discuss one domain (e.g. leadership)
- Plenary Presentation

#### ● Suggested Questions:

- Is it linked to Strategic Objectives (Grey Tab Excel Tool: General Information)?
- Is there another reason this is a Priority
- In those Priority areas – what are the gaps (the areas identified that improve the score)

#### ● Suggested schedule:

- 30 minutes – introduction and is it a priority
- 30 minutes – identify the gaps and how to close the gaps
- 30 minutes – in plenary

## Box 7: Schedule and facilitation methods for workshop on organizational assessments

## Materials

- Copy Light Blue Tabs “Leadership & Planning” “Systems & Processes”, “Position and Communication” and Performance & Evaluative Capacity” in Word for sharing
- Flipcharts
- Post Its
- Copy Strategic Objectives from Grey Tab in Excel “General information”

### Knowledge

Subject matter needed to perform specific tasks. Examples are knowledge on water conservation; groundwater abstraction, pricing, product management, affordability etc.

### Technical Skills

The abilities needed to perform specific tasks. They are specific to fill a role, and typically outlined in job descriptions. Examples are: water quality monitoring, writing conservation policy, setting standards on particular matter,

### Transferable Skills (also referred to as functional skills)

Abilities that are easily transferable across work settings. Examples are: interactive skills, time management, negotiation, basic computer, project management etc.

### Box 8: definitions for three levels of staff capacity to assess

## 3.2.6 Assessing Staff Capacity

*Outputs: Consensus on staff capacity (strengths and gaps identified), identify prioritized areas for interventions.*

Capacity Domain: Staff Capacity			
Assessment Focus: [ Insert objective: eg. To what extent is the staff of regulator is able to efficiently effectively and financially viable			
Functions	Tasks to fulfil the function (identify the roles that are required to fulfil the function and add rows accordingly)	Staff Capacity score - insert from 1 (low), 2 medium, 3 high overall ability for staff to perform the functions	Knowledge & Tools
			Strengths in capacity
Insert Core Function 1 eg. Regulate NRW loss	eg. Set Standards for Allowable percentages of NRW of public service providers		eg. knowledge on how to set standards is available, benchmarking data is available.
	eg. Communicate with Public Service Providers on standards and penalties/ benefits		
	eg. Monitor NRW		
	eg. Technical guidance of service providers		
Insert Core Function 2 eg. Set Tariff	eg. Enforcement (monitor and write up penalties etc)		
	eg. Framework to deliver tariff to market		eg. knowledge on tariff schemes from around the globe
	eg. Monitor prices		
	eg. handle complaints by customers etc etc.		
Insert Core Function 3 eg. Enforce Sanctions	eg. Set and monitor standards		
	eg. Preparing a case		
	eg. Take to court those not meeting the standards		

Reference to Excel Tool: Yellow Tab “Staff Capacity”



## Who is involved

- You (CAT) including the external facilitator (e.g. WaterAid)
- Management Team
- Staff – through the staff survey

## How to get the output

This section of the assessment can be performed by the Management Team. Initially, a meeting should be organized to inform the team what is expected. The tasks to fulfil the functions (as highlighted in light Yellow in Yellow Tab of Excel) should have been described during the inception of the assessment (section 3.2.1). This meeting will ensure that managers become aware of what information they will need to review within their teams to prepare for the workshop in which staff capacity will be discussed (see Box 9 workshop facilitation and schedule).

**Note:** it is essential that managers come prepared to the workshop, having read through and thought through the Yellow Tab in Excel Tool – Staff Capacity and having reviewed in their teams the staff capacity.

The facilitation of this workshop (as per Box 9 below) can be led by the external facilitator (i.e. WaterAid) and can take between 90 minutes – 3 hours.

This methodology offers an additional method to enhance validity of the assessment results performed in the Organisational Capacity Assessment and the Staff Capacity Assessment. It is a short survey with statements about their role and ability to perform the role. The suggested survey questions are available in ANNEX 1 and can be performed in google forms, survey monkey or alternative survey tools.

## Materials

- Yellow Tab “Staff Capacity” in Word for sharing
- Flipcharts
- Post Its

## Suggested workshop facilitation and schedule – Staff Capacity

- **Facilitation Method:** Collect individual thoughts with post its, Grouping, and Plenary Discussion
  - Tools: Flipcharts and post its
- **Schedule:**
  - 30 minutes – 1 hour: Use post its to grade the knowledge haves and don't haves, the technical and functional skills and gaps (If too many functions are high priority then this can be broken down in shorter sessions focusing on max 4 functions at one time)
  - 30 minutes – 1 hour: Group the post its, present it and discuss in plenary
  - Where time allows move into the non-priority functions to overall assess them (grade them), and highlight one key capacity challenge to start fulfilling that function.
  - 30 minutes – 1 hour: Bring all gaps together in one list of prioritized Gaps
  - In Extra Time or separate Session: This can be the basis to discuss Capacity development interventions. The start of the discussion here can be interventions that have high impact and require low effort)

### Box 9: Workshop Facilitation and Schedule – Staff Capacity

## 3.2.7 Analyse Findings

Output: Analysis of priority areas for capacity development and performance improvement

### AUTOMATIC SCORING (RED)

Domain	Total Score that can be obtained	Total score obtained	Capacity level	Remark
Enabling Environment				
Stakeholder	[Insert Formula: number of stakeholder multiplied by 4]	0	#VALUE!	Low (<0,33), medium (0,33-0,66), high (>0,66)
Enabling Environment	20	0	0	
Organisational				
Performance assessment of functions	[Insert Formula: number of functions multiplied by 3]	0	#VALUE!	Low (<0,33), medium (0,33-0,66), high (>0,66)
Organisational				
Leadership and Planning	128.00	0.00	0.00	Low (<0,33), medium (0,33-0,66), high (>0,66)
Processes and Systems	112.00	0.00	0.00	Low (<0,33), medium (0,33-0,66), high (>0,66)
Position & Communications	48.00	0.00	0.00	Low (<0,33), medium (0,33-0,66), high (>0,66)
Performance and Evaluative capacity	40.00	0.00	0.00	Low (<0,33), medium (0,33-0,66), high (>0,66)
Individual				
Staff Capacity	[insert formula: number of functi	0.00	#VALUE!	Low (<0,33), medium (0,33-0,66), high (>0,66)
Total Capacity Score			#VALUE!	Low (<0,33), medium (0,33-0,66), high (>0,66)

### MANUAL ANALYSIS WORK (BLUE (light and Dark), YELLOW)

Performance Assessment				
Performance: Priority Functions with low performance	Why is performance low	What actions can be taken / prioritised	Any challenges to take action (enabling environment, stakeholders influence etc)	Any opportunities to take action (enabling environment, stakeholder influence)

Reference to Excel Tool: Red Tab "Summary"

## Who is responsible

- You (CAT)

## How to get the output

Using the complete assessment (i.e. Excel Tool), and the priority lists identified in the workshops go to the summary sheet (blue):

### 1. Priority functions for performance

- Write down those functions with low performance
  - Write down why is performance low (Look at the justifications column in Dark Blue Tab as well as the green Tabs – enabling environment factors and stakeholder mapping and check if there are identified gaps in Light Blue organisational capacity or Yellow Tab – staff shortages that cause this).
- Write down what actions can be taken/ prioritised – what can be done to improve (you can also refer to Column I in the light blue Tabs; Column M in Yellow Tab).
- Write down any challenges to take action (see Green Tabs – enabling environment, stakeholders mapping. See Dark Blue Tab – Performance assessment the columns on Challenges, Opportunities & actors influencing).
- Write down any opportunities to take action (Green Tabs – enabling environment, stakeholder mapping, & Dark Blue Tab – Performance Assessment Tab see column opportunities and actors influencing).

- High performance
  - Write down why you are doing well (see Dark Blue Tab Performance assessment column Justification and check Yellow Tab Staff Capacity – Staff strengths).
  - Write down what you can do to continue to do a good job (see staff strength columns in Yellow Tab staff capacity, and the justification and opportunities column in the Dark Blue Tab, and Light Blue).
  - Any challenges to continue (see Dark Blue Tab Performance Assessment column Challenges).
  - Any opportunities to take action (see Dark Blue Tab Performance Assessment column Challenges and actors influencing).

**2. Top 5 Organisational Capacity Areas in which the organisation is performing low and that have impact on multiple performance areas/other multiple capacity domains (see justifications of the scoring of performance assessment (Dark Blue Tab) and the justifications of the organisational capacity assessment (Light Blue Tabs))**

- Write down why is performance low.
- Write down what is the level of influence the regulator has to take action (see Green Tab – Stakeholder Mapping and Dark Blue Tab Actors influencing).
- Any challenges to take action (see Green Tabs Enabling environment and internal

Stakeholder Mapping and Yellow Tab – staff capacity).

- Any opportunities to take action (see Green Tabs Enabling environment and internal Stakeholder Mapping and Yellow Tab – staff strengths).

**3. You should also identify organisational areas that can be addressed in medium term, and those with no priority. This is important to review after 1/2 years.**

**4. Go back to the reasons for poor performance (above) as well as organisational capacity, and then review the staff capacity assessment to identify prioritised gaps and strengths separately for:**

- Knowledge
- Technical skills
- Transferable skills

**5. After this is done, this assessment should be expanded by:**

- Examining how many staff need that knowledge/skill.
- Determining exactly what they need to be able to do afterwards.
- Determine what can be done to develop this capacity of the organization (e.g. Hire the right expertise, train x person, attend a series of webinars/online courses, establish buddy system internally).

### 3.2.8 What Next?

This How to Guide and Excel Tool aims to support the assessment section of the capacity development process. It does not specifically address the next stage of the capacity development process (UNDP, 2008); the capacity development plan and performance improvement plan. You are advised to gain support from a capacity development expert that helps to identify the right capacity interventions (i.e. Training, Learning by doing, exchanges/mentoring, Reading, Changing internal processes) that address the capacity gaps holistically and realistically.

ANNEX 2 and 3 highlight an example format for developing Specific Measurable Attainable Realistic and Time (SMART) Plans. To start this process, use the red summary Tab of the Excel Tool (identified during analysis in section 3.2.7 and move them into the Prioritised Assessment Areas. In the second column include the identified capacity gaps (this is what is causing performance/capacity to be low). Subsequently, one can start to talk about interventions (using the identified opportunities).

# 4 Principles for a successful assessment

There are several principles to deliver an assessment successfully both obtained from literature and the pilot preceding the development of the guide. We have listed them for you here:

- **Ownership** – a key precondition for successful capacity development is commitment, sense of responsibility and active involvement or engagement in the pursuit of specific objectives.
  - The Executive Officer/CEO/Managing Director of the Regulatory authority should sign off/demand this activity, and commit to act on the plan that is developed in the process;
  - Ownership however, cannot be seen as individual or static affair. It is an outcome of constant bargaining processes between stakeholders that are actively for change, those that passively accept it and those who resist it (OECD,2011).
- **Human and financial resources** need to be committed:
  - The capacity assessment team should consist of at least 3 senior professionals from within your organization or department who jointly take the responsibility of delivering the work;
  - Ideally, an external facilitator (e.g. WaterAid) should be involved in the capacity assessment team, and support the facilitation of meetings;
  - Ideally, a capacity development expert should be invited to take part in driving the development of a holistic capacity development/performance improvement plan in order to ensure the solutions brought forward take into consideration all possible interventions<sup>7</sup>;
  - Time commitments: a minimum of 10 days for management team members, 1 day for a selected group of staff members and 30 minutes for all staff members;
  - Financial resources should underpin the entire capacity development process – the necessary financial resources need to be put in place to hire an external facilitator, organize meetings, and buy materials needed for the assessment. More importantly budget is required for some of the capacity development interventions.
- **Stakeholder engagement** – to develop a shared understanding of objectives and outputs, shared sense of responsibility, and active involvement in reaching the objectives
  - The management team (or senior managers) should be involved in a discussion to develop a shared understanding of the assessment objective and expected outputs;
  - The management team should be involved in adjusting the methodology to suit the needs of the regulator;
  - Transparent communication to staff members about the capacity development process, the objectives and expected outputs and how they will or not be engaged in the process. This will create trust and allow for openings for staff members to provide valuable input;
  - Involving external constituents, in particular in the performance assessment and the stakeholder mapping, will be extremely important in a valid and honest assessment.

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7. Beyond training

- **Care should be given to hear everyone's voice:**
  - An external facilitator can support the process of ensuring everyone's voice is heard during the consolidation meetings;
  - The staff survey should be anonymous to ensure everyone can openly and honestly express their opinions;
  - The individual organisational capacity assessments should anonymously be collected by an external facilitator;
  - The organisational capacity assessment workshop should have a separate session for management, and for staff to ensure they feel comfortable to speak up honestly, and provide their opinion.
- **Repeating the assessment process at regular intervals** – capacity development is a continuous process of assessing, analyzing, developing, implementing, evaluating (assessing)
  - If you are returning to the methodology to do the assessment again, you should consider getting feedback on your performance from external constituents – this can be the service providers, or those in respective government departments

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# Annex 1: anonymous staff survey

**This tool is to cross examine validity of the organizational and individual capacity assessment. The survey can be developed in an online tool (Survey monkey or Google forms) and allow all staff to anonymously provide answers. The only information that will be needed from the staff member is to indicate which functions they contribute to. This can be done in the form of a matrix question.**

## Organisation

For the following statements related to organisational capacity, please indicate the answer closest to your situation.

- I am fully aware of the strategic objectives of our organisation (Yes/No)  
– If Yes, what are the objectives?
- I have access to the Management Team (Yes/No/Indirectly)
- I have a full understanding of the organisation's decision making process (i.e. Who approves what) (Strongly Agree, Agree, Neither agree nor disagree, Disagree, Strongly disagree, I don't know them)
- I know where to find procedures related to my job (Yes/No/I don't know what procedures are)
- We have one place/archive in which I can find information on all work the organisation is doing (Yes/No)
- We liaise strongly with our constituents (Strongly Agree, Agree, Neither agree nor disagree, Disagree, Strongly disagree, I don't know)

What are the main internal barriers for the regulator to perform its functions?

What are the main external barriers for the regulator to perform its functions?

What are the main opportunities to overcome those barriers?

## Job

For the following statements related to your job, please indicate the answer closest to your situation.

- I have access to all tools and knowledge to do my job (as described in my job description) (Strongly agree, Agree, Neither agree nor disagree, Disagree, Strongly disagree, I don't know)
- My job is the same as described in my job description (Yes/No/I don't have a job description)
- I have access to IT services (ie computer, phone, databases) that are needed to do my job (Yes/No/I don't need IT for my job)
- I have access to a data management system to allow me to do my job as regulatory staff (Yes/No/I don't need access to a data management system/I don't know what a data management system is)
- I have all the skills I need to do my work (Strongly agree, Agree, Neither agree nor disagree, Disagree, Strongly disagree, I don't know)
- There are clear processes for career growth in our organization (Strongly agree, Agree, Neither agree nor disagree, Disagree, Strongly disagree, I don't know)
- I am motivated do contribute to the goals of this organisation (Yes/No/I don't know the goals)

Do you have ideas that will support your organization in becoming more efficient and effective in delivering on its mandate?

Do you have ideas on how your employer can support you to increase your job performance?

What areas of knowledge and skills should your employer focus its capacity development on according to you? (i.e. What areas are lacking)

## Annex 2: Capacity development plan

### Capacity Development Plan

Insert Name Regulator

Insert Mission Regulator

Capacity Domain	Prioritised Assessment Areas (In the performance assessment these could be areas of high priority and low performance; in Staff capacity this could be areas of high priority and low performance)	Capacity Gaps or improvement areas (The issues or capacity gaps found in the assessment)	Objective (The changes to be achieved through a capacity development activity)	Output (whose capacity is developed? What capacity is developed? How do activities ensure that capacities are developed)	Activities (undertaken necessary to achieve the outputs (i.e. develop and implement a new Process, procedure developed, develop a decision making matrix, develop a ...)	Indicator (targets to measure progress. This can include process indicators such as dynamic changes. Think of participatory process)	Financial Resources (cost of the activities. This will help the organisation decide which activities they can do at what time and will hence influence the time frame)	Responsible (Identify a staff lead to deliver on the activities (at min identify the department leading))	Timeframe (month year)	Other support required (eg. Suggested support from WaterAid)

## Annex 3: Performance improvement plan

### PERFORMANCE IMPROVEMENT PLAN

Insert name Regulator

Insert mission Regulator

Core Functions	Performance indicators	Baseline Assessment of KPIs of year x (copy from Performance assessment sheet)	Strategic Objectives (Y/N)	Setting Performance Targets	Activities (undertaken necessary to improve performance)	Financial Resources (cost of the activities. This will help the organisation decide which activities they can do at what time and will hence influence the time frame)	Dependent on/ linked to any enabling environmental/organisational/staff capacity are	Time Frame (month and year)	Assign responsibilities (Identify a staff lead to deliver on the activities (at min identify the department leading))	Other support required (eg. Suggested support from WaterAid)
Core Function 1	Insert Key Performance Indicators to deliver on respective function									
Core Function 2	Insert Key Performance Indicators to deliver on respective function									

**Front cover:** Cynthia Ramaholinirina, 6, with some of her classmates washing hands at the handwashing station of their Primary school of Mahavoky village, Belavabary commune, Moramanga district, Alaotra Mangoro region, Madagascar.

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