



FEED THE FUTURE

The U.S. Government's Global Hunger & Food Security Initiative

Evaluation of the Impact and Effectiveness of Institutional Capacity Interventions Support to AGMARK

End of Project Evaluation Report

Submitted to

AGMARK

Final Report

MMC

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List of Acronyms and Abbreviations

AGMARK	Agricultural Market Development Trust
AGRA	Alliance for a Green Revolution in Africa
AIIM	African Institutions Innovation Mechanisms
AIIM- Assist	African Institutions Innovation Mechanisms-Assist
CEO	Chief Executive Officer
CNFA	Cultivating New Frontiers in Africa
ED	Executive Director
EU	European Union
FOSTER	Feed the Future East Africa Food Security through Enhanced Regional Trade
HR	Human Resource
ICT	Information and Communication and Technology
IFRS	International Financial Reporting Standards
IS Plan	Institutional Strengthening Plan
MD	Managing Director
M&E	Monitoring and Evaluation
MMC	Moford Management Consultants
NGO	Non-Governmental Organization
NUPAS	Non-U.S. Organization Pre-Award Survey
OCA	Organizational Capacity Assessment
Re-OCA	Repeat Organizational Capacity Assessment
USAID	United States Agency for International Development
USAID/EAST AFRICA	United States Agency for International Development – East Africa

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Executive Summary

This report contains the findings and recommendations of an end of project Institutional Capacity Strengthening exercise of the Agricultural Market Development Trust (AGMARK). AGMARK as a grantee of the funds to implement Feed the Future East Africa Food Security through Enhanced Regional Trade (FOSTER) activity by the USAID. The activity was designed with two components: the regional trade facilitation component that worked to enhance cross border trade and the institutional development component for organizational capacity building. The objective of the Institutional Assessment was to assess the impact and effectiveness of institutional capacity interventions support to AGMARK.

The institutional development component of AGMARK was supported by African Institutions Innovation Mechanisms (AIIM)-Assist, an USAID/EAST program to support USAID African funded institutions. Under FOSTER, AIIM Assist supported, AGMARK to build her capacity in the areas of Legal Structure, Financial Management and Internal Control Systems, Procurement Systems, Human Resources Systems, Project Performance Management and Organization Sustainability for a period of two years.

AIIMs-Assist employed an integrated approach to support AGMARK on institutional strengthening as well as the implementation of the findings of the NUPAS. The approach involved conducting of the baseline OCA in January 2015 and development of an Institutional Strengthening plan that detailed the process of capacity building activities and their implementation. In December 2016, AIIMs- Assist further carried out a repeat OCA of the organization to ascertain the extent to which AGMARK has implemented the IS plan.

The Methodology of the assessment of the Institutional Strengthening of AGMARK included: 1) an assessment of documentation and the implementation of IS plans including the review of work plans, strategic plan, contracts and financial statements and 2) Key Informant Interviews (KII) or In-depth Interviews (IDI), in the form of face-to-face interviews with all the senior staff of the organization to generate qualitative data for the assessment of the impact and effectiveness of institutional capacity interventions support to AGMARK.

The capacity building initiative has had the following the short-term (less than three years) outcomes:

- i) AGMARK has an improved governance structure with a compliance legal framework and policy guidelines for almost all aspects of the organization

- ii) All staff are competent and well qualified with a good understanding of the organization's mission/vision and how their roles contribute to the achievement of the overall strategic plan. They also understand their performance matrices as well as their reporting responsibilities
- iii) The Administrative function was divorced from the Finance function and paired with HR. This has created easier overhead cost management as well as reduced procurement bottlenecks
- iv) The newly formed procurement committee had created a transparent and effective procurement process
- v) The automation of the systems, though on-going has improved on efficiencies in communication and information availability across all departments
- vi) The inclusive approach to program management ensures that AGMARK is effective in its service delivery to its stakeholders
- vii) Project Performance Management has the buy-in from all departments, especially the program team though it still needs to be further developed, standardized and staffed to increase output

It is recommended that AGMARK needs to develop a written comprehensive succession plan for not only the MD role but also for all the other roles within the organization. This is hoped will ensure continuity in case of staff separation from the organization. The organization will need to develop a written financial sustainability plan.

1. Introduction

Agricultural Market Development Trust (AGMARK) is a regional not-for-profit development organization with headquarters in Nairobi. AGMARK is registered as a Trust under the laws of Kenya. AGMARK is also registered in South Sudan as an NGO with offices in Juba, Yei, Yambio and Torit.

AGMARK has specialized in programs that facilitate smallholder farmers and pastoralists to access inputs and technologies for increased production and output markets for surplus production. The objective is to improve incomes and food security of smallholder farmers by facilitating agricultural development in Africa through adoption of improved production technologies and effective output marketing in response to identified market opportunities. AGMARK has specialized in working at the agrodealer level to establish these networks that serve farmers. AGMARK has been implementing agricultural development programs since 2004 and implemented projects in Kenya, Uganda, Tanzania, Ethiopia, Rwanda, Burundi, Zambia, Malawi, Swaziland, Ethiopia, South Sudan and Mozambique.

AGMARK Capabilities

AGMARK is managed by a core team of experienced professionals and support staff who include Agronomists, Agribusiness Specialists, Trainers, and Rural finance experts and a team of associate consultants who are regularly engaged in various assignments in Kenya and the region.

- a) AGMARK has developed training materials in:
 - Basic Business Management for agrodealers
 - Advanced Business Management for agrodealers
 - Business counseling and mentorship for agrodealers
 - Technical knowledge on agricultural Inputs
 - Grain Bulking – aggregation for agrodealers
 - Formation and Management of Agrodealer Associations and
 - Farming as a business.
- b) AGMARK has trained and developed a pool of Independent commercial trainers and consultants in 8 countries in Africa to support agricultural projects including training of Agrodealers, training of farmers and support for demand creation activities.
- c) AGMARK has developed and Managed Agricultural Inputs Voucher Systems.
- d) AGMARK has developed the capacities of local African institutions in Zambia, Tanzania, Uganda, Mozambique, Swaziland and Ethiopia to engage in agrodealer support programs.

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2.0 Evaluation Methodology

The evaluation relied mainly on two major sources of data for this study. These two sources were literature review and key informant interviews. The literature review involved a study of the AGMARK reports, review of AIIM ASSIST initial Organization Capacity Assessment (OCA) Reports and any other available relevant literature.

The following steps were undertaken during the evaluation

- **Step 1:** Desk Review of the Baseline OCA and Repeat including the IS plans, and a review of all the institutional capacity strengthening documents of AGMARK including policy and procedure manuals, work plans, strategic plan, contracts, financial statements among others and
- **Step 2:** Key Informant Interviews (KII) or In-depth Interviews (IDI), in the form of face-to-face interviews with all the senior staff of the organization to generate qualitative data for the assessment of the impact and effectiveness of institutional capacity interventions support to AGMARK

The tool used for these interviews was the OCA developed by USAID

2.1. The OCA Tool

The United States Agency for International Development (USAID) designed an OCA tool for use with local recipients of USAID awards. The tool assesses an organization's capacity in seven capacity areas and 43 sub-capacity areas. The seven capacity areas are listed below.

- i) Governance and Legal Structure
- ii) Financial Management and Internal Control Systems
- iii) Administration and Procurement Systems
- iv) Human Resources Management
- v) Program Management
- vi) Project Performance Management
- vii) Organizational Management and Sustainability

The OCA tool categorizes organizations into four distinct stages of organizational development along a four-stage organizational development continuum. These stages are:

- Stage 1: Low Capacity
- Stage 2: Basic Capacity
- Stage 3: Moderate Capacity and
- Stage 4: Strong Capacity

Stage 1 represents the lowest capacity while Stage 4 denotes the highest capacity. Each stage has indicator statements that define the key characteristics of an organization at that stage of organizational development.

3.0 Assessment Findings

3.1. Governance and Legal Structure

Currently, AGMARK has successfully plugged most of its governance capacity gaps. The organization's vision and mission are clearly stated and understood by all key staff in the organization. This is further demonstrated through the implementation of the AGMARK Strategic Plan 2015 – 2019. The organization is legally present within Kenya, Mozambique and South Sudan. It has a fully constituted Board consisting of one (1) woman and four (4) men that have clear Board guidelines, processes and procedures for meeting, decision making, tenure, on-boarding and exiting. The organizational structure remains largely project focused though successful attempts have been made to integrate cross-cutting roles such as M&E, ICT, Administration & Human resource management into the projects through active budgeting for overhead costs of operation and joint committees such as the 'procurement committee' to integrate functions. It would however be best to have a comprehensive organogram that considers the current income structure. A case in point is the fact that the current Finance Director felt the lack of job security owing to the coming end of the project that funded their role and therefore left. For an organization that currently generates income through donor specific projects, it is important to beef up the strategic finance plan to avoid such turnover in the future. Finally, though it is important to note that the organization's founder CEO also serves as its Chairman and that the current Accounts Administrator is functioning well to fill in the role of the Finance Director that just left, succession processes appear to be organically in place. However, to avoid ambiguities in the organizational hierarchy and reporting structures, it is fundamentally important that AGMARK implement a clear succession plan and/or process for the organization.

3.1.1 Key Strengths

Under the Governance and Legal Structures domain, it is recognized that AGMARK has the following strengths:

- i) Its vision, mission and objectives are clearly articulated and understood by the entire team. They are also reflected in the day-to-day running of the organization
- ii) AGMARK's Board of Trustees consists of five (four men and one woman) diverse and relevant Board members drawn from broad spectrum of areas including agribusiness, non-profit development, donor and academia, with clear terms of service, procedures, regulations and oversight over the organization including strategic planning
- iii) The organization is Legally registered as a Trust, with a Trust deed and follows all statutory financial and tax reporting, external audits, labor laws and board representation requirements
- iv) All departments including the board are managed using procedure and policy manuals that are actively reviewed based on the changing challenges of the organization. These

include: AGMARK Terms of Service of the Board of Trustees, AGMARK's revised strategic plan (2015-2019), Human resources manual, Finance policy and procedures manual, Risk Policy manual, ICT user and systems manuals, M&E Procedures Manual (Work in Progress) among others

- v) The inclusion of the ICT staff appears to be a clear facilitator of improved communication and oversight over the management as well as Board of Trustees, leading to greater transparency, accountability and responsibility within AGMARK

3.1.2 Key Capacity Gaps:

The Key capacity gaps under the governance domain include:

- i) AGMARK lacks a clear succession plan for the ED/CEO. Granted that the Founder CEO is the current Chairman of the Board of Trustees and therefore a clear store of institutional memory, AGMARK needs to identify a clear and stated successor and/or succession process for the ED/CEO to assure institutional viability over the long-run
- ii) The AGMARK organogram, demonstrates that all senior staff report directly to the ED/CEO. There is the need for clear reporting lines that ensure clear communication and efficiency in the organization. Being an organization that is heavily dependent of donor restricted income for its viability, and its current reporting stricture, its team should be expanded to include the function of a Business Development personnel to ensure long-term financial sustainability

3.1.3 Recommended Interventions:

The following interventions have been recommended to improve governance:

- i. AGMARK should develop a clear succession plan for not only the MD but also all levels of staffing roles, processes and procedures
- ii. The organization update the organogram to represent clear reporting lines that achieve the desired outcomes stated in the mission and in line with the current strategic plan. The M&E team for instance needs beefing up to undertake more detailed data collection, analysis and summary of project outcomes.
- iii. To achieve financial sustainability, in addition to the MD that has several functions reporting directly to him, we propose the creation of a dedicated Business Development role to beef up the MD's role in raising funds through additional projects to assure institutional financial viability.

3.2. Administration and Procurement Systems

In this OCA review, it was established that AGMARK had the required operational policies, procedures and systems for the administration and procurement functions. These include the

Administration and procurement policy manual, the travel policy, fixed asset and motor vehicle management policy, inventory management policy and ICT manual. It was further established that all staff including the procurement committee were actively implementing the policy and procedures of the organization. Further, the inception of a customized ICT system, including training on use had created greater organizational efficiencies. For instance, the process of travel documentation and expensing had been automated and therefore become for efficient to the fulfilment of project management goals. This system also strengthened the separation between the procurement and finance function and therefore limits any potential for fraud and misuse of funds in the organization. This ICT system already has systems and user manuals and procedures that have been adopted by the Board and staff. Now, cash for travel is disbursed through an automated accounting system to accounts of the project staff for use and accounted for by the individual staff member attributed to the expense in the system. Assets cost attribution to specific projects/cost centers or activities remains a challenge.

3.2.1 Key Strengths

- i) The organization has established and Board Approved Administration, Procurement and travel policies and procedures that are well implemented by staff
- ii) The ICT system has developed overall efficiencies, transparency and understanding of the administrative and procurement procedures of AGMARK
- iii) The procurement committee offers a transparent and balanced procurement process and the concept of Board approval of procurement of more than Kenya shillings five hundred thousand (Ksh. 500,000) upon recommendation of the committee has created further controls over the use of organizational funds in a transparent and efficient manner.

3.2.2 Key Capacity Gaps

- i. The fixed asset attribution to overheads, activities and projects needs to be clarified to allow for proper project costing
- ii. The customized ICT system is a work in progress and with this development, there have been visible improvements in the administration and procurement processes of AGMARK. This system does need further funding to bring it up to the required standard that enables maximum efficiencies in the organization.

3.3. Human Resources Management Systems

Currently, AGMARK's Human Resource and management systems are carried out in conjunction with the Administration and logistics functions. Previously, the administration function was part of the finance department. This posed challenges of conflicts of interest and separation of powers in the procurement, administration and payment for assets and services. This is now resolved with the detachment of the administration and human resources function from finance. The manager reports directly to the MD. All staff is well-motivated and committed to the organization's mission and vision. They also have a good understanding of the organization's policies, processes and procedures. Each role is based on an organogram with a stated job description and responsibilities. However, certain cross-cutting roles such as drivers that assist in administrative functions in the field as unofficial field officers need their roles, remuneration and responsibilities clearly defined. Also, clear role reporting needs to be defined because now, six (6) project managers report directly to the MD along with all the other department heads. With no clear succession plan, this could be detrimental to the long-term survival of the organization. Finally, the role of the Administration and Human resource manager used to be overlooked, as there was a focus on project implementation at the cost of adherence to administrative and human resource policy and procedures. Now, this oversight has been corrected with the inclusion of the Human Resource and Administration component in the discussion and budgeting for projects from inception to completion.

3.3.1 Key Strengths:

- i) The AGMARK staff is well-motivated and competent and have a good understanding and appreciation of the organizations mission, vision, values, policies and procedures. The MD is part of the Board of Trustees and therefore there is inclusion of Management and Staff sentiments on the Board.
- ii) AGMARK complies with Kenyan Laws on employee statutory deductions on Employment and Safety and Health
- iii) The HR Policy is comprehensive covering performance evaluation, legal contracting, recruitment policies and procedures
- iv) Staff management is formalized through clear job description; the development of work plans and work appraisals. The final approval of Key staff is undertaken by the Board

3.3.2. Key Capacity Gaps and Recommended Interventions

- i) The Human Resource management plan needs to be reviewed. This is because the current plan is project specific. It implies the once a project ends, then the role of an individual is likely to end. This can lead to a loss in staff morale as well as increased staff turnover for the organization and therefore a loss in the institutional continuity and/or memory. For instance, once project was ending in October 2016 and thus, three (3) staff were laid-off

and one (1) key staff, the Finance Manager, resigned in September in anticipation of the Project completion

- ii) All roles appear to report directly to the MD, including six (6) project managers, the HR and administration manager, M&E, ICT manager, Finance and administration. For the Project Management Role, a streamlining of their reporting procedures so that a summary of their activities is reported to the MD, would ease the reporting channels from this function, this would mean that possibly a head of Project Management may need to be appointed or recruited to undertake the role.

3.4. Financial Management, Internal Controls and Sustainability Systems

The current Financial Manager had resigned from the organization in September, 2016 due to the pending end of the term of the project that had recruited them. In their place, the Accounts Assistant had taken over as the acting Financial Manager. AGMARK had acquired a new financial management system in April 2015 though it had some malfunctions. This system however works well for the other departments and therefore may need some form of customization to work better. The financial policy and procedures are in place and are revised on a regular basis based on experience if there are discrepancies. The external auditors previously undertook the development of financial statements as well as the independent audit of the organization's financial statements that they developed. During the review, it was noted that these two functions have been separated with the financial statement preparation being undertaken in-house while the auditors (Baker Tilly Merali's) independently undertake the audit. This is in compliance with International Financial Reporting Standards (IFRS).

The financial management controls include the development of budgets that are approved by the MD and Project Manager. These budgets include a Master budget for the organization and project specific budgets. Regular status meetings are held to review and monitor the budget though most are not documented. The staff have a good understanding of their internal financial reporting functions through the system and also undergo continuous training. It is the organization's policy to avoid cash and checks and therefore travel and related expenses are done through direct deposit to the respective staff account. The respective staff is required to produce a trip report at least one (1) month after the trip. AGMARK now operates a pooled account for all the funds into the organization with the MD and Chairman placed as signatories to the account. Cash transfers are linked to documents such as invoices most of which are done online. The organization's documents are backed up both physically and electronically on-site.

The Administration and Finance functions have since been separated. This implied that for small project items, project requests are placed with the Administration and Human Resource Manager who places the request on their behalf to the Financial Manager for execution. For large project items including fixed assets, the procurement committee has the mandate to approve and execute

on items priced below five hundred thousand Kenya shillings (Ksh. 500,000) and for any items above this amount, it is the Board of Trustees that approves one (1) of the final three (3) recommendations from the procurement committee.

AGMARK largely earns its income through grants from donor funders. It has no debts, no cash reserve balance requirement policy and no cash reserve investment policy. It mobilizes resources through the development of donor proposals that are currently funded by a diverse number of donors (7).

3.4.1 Key Strengths:

- i) Despite the resignation in September 2016 of the Financial Manager, the Acting Financial Manager appears to have managed a smooth transition that is overseeing the audit and day-to-day financial management of the organization. This succession plan, though not formal, works
- ii) The financial system has developed efficiencies in the current management of financial information including the development of reports, daily working capital management and security of cash movement in the organization
- iii) The separation of the Administration and procurement from the Finance Function has created better procedures that are more transparent; and the separation between the Internal financial accounting and the external audit is in compliance with industry reporting standards practice
- iv) The master budget and project budgets are in place and all staff are involved in the preparation and on-going monitoring of the variances in the year
- v) The donor funding base is diversified, albeit from a similar sector focus but given the large number of donors within the small holder and other agribusiness related spaces, AGMARK can maintain a long term strategy of appealing to new donors while also securing follow on funding for programs by already engaged donor agencies that they already work with

3.4.2 Key Capacity Gaps

- i) The Lack of a formal financial treasury management strategic plan threatens the future sustainability of AGMARK. The organization is currently financed and managed on a project-by-project basis with no debt, reserve funds, income outside of donor grants and capital or equity investments
- ii) AGMARK's financial model is run on a project by project basis. This provides the challenge of maintaining liquidity and cash reserves to meet obligations, especially overhead costs that could disrupt the long run operational and staffing stability of the organization

3.4.3. Recommended Interventions

- i) AGMARK needs to put in place an organizational treasury management strategy to take advantage of short and long-term cash in hand in order to manage its liquidity while also smoothing out operational, financial and reputational risk such as the resignation of the Financial Manager due to the completion of the project that their income was assigned to.
- ii) Further, the recruitment of a full time Business Development staff, will augment the MD's fund raising for the organization to increase the income generated through additional grants and other related activities such as AGMARK facilitated conferences and/or exhibitions among other mission related income generating activities

3.5. Organizational Management

AGMARK is currently working within the framework of the AGMARK 2015-2019 strategic plan. This plan is well understood by the staff and implemented at all levels of internal and external organizational management. Resource Mobilization is currently restricted to specific grant-based donor funding. The funders are however diverse though this source of income has created the challenge of continued financial funds flow over the long term. This has resulted in increased staff turnover and threatens the long-term viability of AGMARK. An operational development plans have been developed in the form of work plans for the specific project portfolios within the organization. However, a master organizational plan will need to be developed to link these project work plans to an organizational activity plan that link its strategic plan to the organizations mission.

An informal communication strategy is maintained through the ICT manager. The organization also brands and marks using the donor prescribed rules and regulations. AGMARK has well established policies and procedures for each department. These procedures allow for the organization to change as the environment win which it is operating changes as they are reviewed on an on-going basis and are not static just as the ICT user manual is changing currently as new processes and customizations are undertaken in the ICT system.

AGMARK has a reputable name within the NGO space in Africa and participates in information and best practice sharing through relevant industry related trade shows along with industry stakeholders, undertakes training and seeks to engage with Governments, both local and national across Africa in the long run.

3.5.1 Key Strengths

- i) AGMARK has a well written and implemented strategic plan in line with vision and mission goals

- ii) Its staff is well motivated and take part in decision making as well as stakeholder engagement at all levels from pitching proposals to raise funds to trainings of stakeholders
- iii) The organization's departments interact at all levels especially during the development of project budgets and work plans as well as reporting and therefore allowing for the ease in flow of information within the organization, allows for cross trainings and policy and procedure revisions as well as maintaining the institutional memory across different functions.

3.5.2 Key Capacity Gaps

- i) A long term (three to five year) resource mobilization strategy is lacking. This is along with a dedicated staff to implement the resource mobilization strategy to assure organizational long run sustainability
- ii) The organization should develop multi-year operational plans in line with the strategic plan in order for it to project its current and future sources and uses of funds that will inform its resource mobilization strategy

3.5.3 Recommended Interventions

- i) To improve on and manage available resources and to attract further resources to meet the organization's long term strategic goals, a dedicated Business Development staff will need to be engaged to fully develop the constant and diverse grant income for the organization

3.6. Program Management

In the current OCA review, it was observed that the Program Management staff was technically competent and well-motivated in their role. The team undertook program planning, design, implementation along with external stakeholders such as government, corporate, NGOs, agro dealer associations and NGOs are involved in project activities in the planning, design and implementation stages as well as multi-disciplinary teams within the organization including HR, Communication, procurement, MD and M&E functions. The programs have a clear results framework and all staff were inducted into the results framework for the USAID. The team currently develops quarterly reports based on the milestones delivered and activity reports to USAID; these reports are routinely discussed with the MD ahead of approval for sharing with USAID.

Within the program implementation, there is a work plan developed for community engagement

that considers gender and cultural mainstreaming. For instance, the FOSTER Project had a gender component that ensured that women had a session to train them as well as a cultural session that covered the youth. Thus, they had ten (10) trainers of whom four (4) were women. There are adequate management guidelines including contracts for short term and volunteer engagement in the program work. Further, an M&E component was incorporated to document the lessons learnt as well as best practices. This is discussed in seven (7) below.

3.6.1 Key Strengths

- i) AGMARK is currently implementing its programs in line with the compliance requirements of its donors
- ii) The staff is technically competent with the ability to execute over their mandate
- iii) The community engagement is tailored based on relevant experience to take into account gender and cultural sensitivities of the diverse communities within which they operate while not losing sight of their strategic objectives
- iv) AGMARK has developed strong linkages between itself and stakeholders at all levels including government, corporate, NGOS, agro dealer associations and NGOs are involved in project activities in the planning, design and implementation stages
- v) The Program management is undertaken under best practice for the development of work plans, budgets and implementation along with its approved policies and procedures. The process also includes all departments of the organization for a holistic results framework

3.6.2. Key Capacity Gaps

- i) Resistance by staff to changes in the acceptance of ICT systems to improve work flow and create better controls

3.6.3. Recommended Intervention

- i) Continued training on the new ICT systems to get buy-in by all staff on the benefits of automated systems

3.7. Project Performance Management

AGMARK at the moment is staffed by one (1) M&E manager. This manager works on a project-by-project basis to undertake the project M&E function. The organization's M&E policy and guidelines are still being finalized whereas the organization lacks a service delivery charter. The performance standards are largely dictated by the expected project delivery and using the specific project budgets. There is therefore no organizational-wide performance standard to

quality assurance. The current supervisory tools are manual and therefore there is no system for automated data collection and analysis to review trends in the short or long run. This also means that the analysis is largely delayed by the need for face-to-face meetings between the program staff and the M&E staff to consolidate, analyze and report data and information as it is not available from the field in real time. Also, the quality of the data may be compromised in the process.

3.7.1. Key Strengths

- i) AGMARK's M&E function is fully integrated into the entire program management process from planning to design and implementation and also in the organizational management functions such as procurement and budgeting.

3.7.2 Key Capacity Gaps

- i) Inadequate Standard for service delivery tools.
- ii) Lack of an effective automated system for data collection, collation and analysis to support organizational level decision-making processes and reporting for quarterly and annual reports
- iii) Lack of a written M&E policy and plan
- iv) No evidence that M&E tools are used at each project and organizational level to foster learning and build strategic competence
- v) Insufficient budgetary and staffing allocation to M&E activities

3.7.3. Recommended Interventions

- i) Development of a service delivery standard charter for the organization
- ii) Completion of the development of the M&E policy guidelines for AGMARK
- iii) Automation of the data collection and evaluation to allow for real time data availability for M&E purposes
- iv) Overhead allocation of M&E to projects and the operational strategic plan of the organization

4.0 Conclusion and Recommendations

The outcome of this OCA indicates a slight improvement in the organization’s capacity across all domains of the evaluation. Overall, AGMARK can be described as having a “moderate capacity” as of November 2016. This is up from the cumulative score of 2.8 in January 2015 to “Moderate Capacity” with an average score of 3.1 in December 2015 and now 3.2 in November 2016.

Capacity Area/Element	Rating			Stage of OD (Nov, 2016)
	Feb-15	Dec-15	Nov-16	
Governance and Legal Structure	3.1	3.2	3.5	Moderate Capacity
Financial Management and Internal Control Systems	2.7	2.9	3	Moderate Capacity
Administration and Procurement Systems	2.5	3	3.2	Moderate Capacity
Human Resources Management Systems	3	3.1	3.2	Moderate Capacity
Program Management	2.7	3.2	3.4	Moderate Capacity
Project Performance Management	2.6	2.9	2.9	Basic Capacity
Organizational Management and Sustainability	2.9	3.2	3.2	Moderate Capacity
Overall Average	2.8	3.1	3.2	Moderate Capacity

This score is largely driven by the marked improvement in the Governance structures of the organization. AGMARK currently has a well-formed Board of Trustees. These Board members are from a diverse spectrum of career experience ranging from agribusiness to entrepreneurship and academia among others. The Board are meeting their statutory meeting and reporting requirements and also participate in the high-level decision making of the organization. For instance, they have developed an organizational strategic plan in line with the organization’s mission and vision, they have approved several policy and procedures guidelines across most of the organization’s departments and have also developed terms of reference and conflict of interest and codes of conduct guidelines for themselves. Despite the fact that the current

Chairman is the Founder CEO, it is important to note that a written succession plan is still not in place for the MD and also for other roles within the organization.

Overall, the AIIMS-Assist capacity building has led to the institutionalization of AGMARK since the inception of the process in January 2015. Even though AGMARK still has a long way to go especially in succession planning, financial sustainability management and M&E management, the organization has maintained a fine balance between an entrepreneurial organization with improved systems, processes, procedures and reporting structures.

The overall benefit of the Institutional Strengthening exercise of AGMARK over the past three years has been an increase in project funding. This project funding has been awarded from organizations such as the European Union (EU) and AGRA (Alliance for a Green Revolution) among others. The funds have been placed largely due to the institutionalization of AGMARK.

The following recommendations are proposed for AGMARK

AGMARK will need to develop a written comprehensive succession plan for not only the MD role but also for all the other roles within the organization. This is hoped will ensure continuity in case of staff separation from the organization.

The organization will need to develop a written financial sustainability plan. This plan will have three facets;

- a) The sources of income to the organization should be identified and a role established (Business Development manager) to be dedicated on a fulltime basis reporting to the MD on the activities of proposal writing and pitching to obtain further grant funding for projects from diverse donors to sustain the organization
- b) A treasury management plan will be developed to manage 'sitting cash' or cash reserves in the pooled account. These funds could be placed in safe investments such high yielding account and government bonds with a tenure that allows these funds to generate income before deployment. Other treasury management tools or partners may be sought.
- c) A financial strategic plan should be developed to project the future growth of the organization besides the annual budgets so that this plan is in line with AGMARK's strategy, staffing requirements to meet the strategy and other income growth strategies to be implemented. This will allow the organization to develop a rate of growth that can be used as a base rate for the evaluation of the organization's financial sustainability.

Finally all other recommendations identified for each unit of the organization should be implemented.

5.0 References

- 1) New Partners Initiative technical Assistance (NuPITA) Project; 2009. USAID Organizational Capacity Assessment Tool: Facilitator's Copy for Organizations Funded by USAID
- 2) Asunza, M; Kachuwa, L. 2015. USAID-East Africa Organizational Capacity Assessment (OCA) Report; Agricultural Management Development Trust (AGMARK)
- 3) Olago, S; Kariuki, A: Oggema, S. 2015. USAID-East Africa Organizational Capacity Assessment (OCA) Report; Agricultural Management Development Trust (AGMARK)
- 4) Agricultural Management Development Trust (AGMARK) Strategic Plan 2015 – 2019
- 5) Revised Work Plan for Upcoming Trade fairs and Business Linkages Meetings
- 6) Consultancy Service Contract: Short term Technical Assistance; In-group Planning and Conducting of the Trade Fairs
- 7) Final Revised Foster Trade Annual Work Plan, prepared by AGMARK Project Management Team
- 8) AGMARK Annual Performance Report, November 2016

Annexes

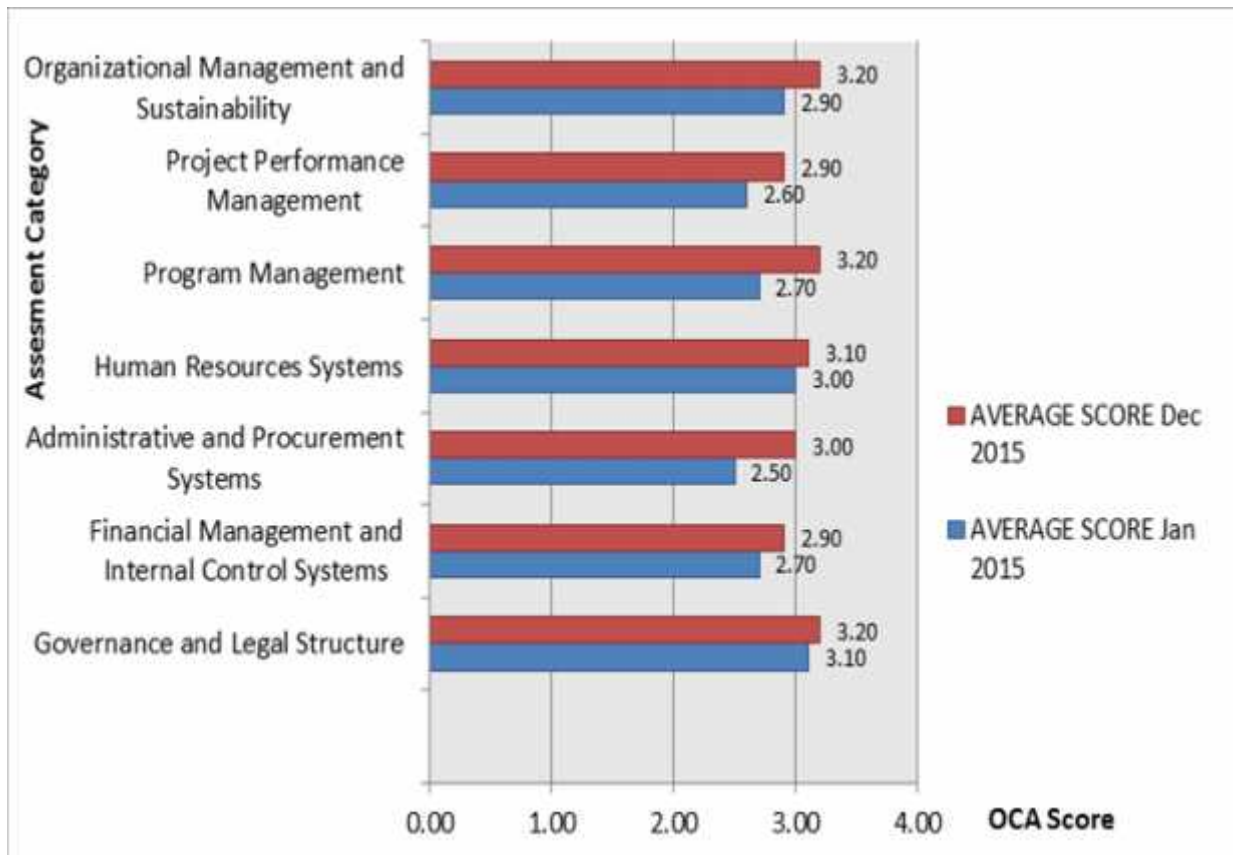
1.1 Annex 1: Overall OCA results from Baseline OCA to Re- OCA and End of Project OCA

Capacity Area/Element	Rating			Stage of OD (Dec, 2015)
	Baseline OCA	Re-OCA	Close OCA	
Governance and Legal Structure	3.1	3.2	3.5	Moderate Capacity
Financial Management and Internal Control Systems	2.7	2.9	3	Moderate Capacity
Administration and Procurement Systems	2.5	3	3.2	Moderate Capacity
Human Resources Management Systems	3	3.1	3.2	Moderate Capacity
Program Management	2.7	3.2	3.4	Moderate Capacity
Project Performance Management	2.6	2.9	2.9	Basic Capacity
Organizational Management and Sustainability	2.9	3.2	3.2	Moderate Capacity
Overall Average	2.8	3.1	3.2	Moderate Capacity

Annex 2: List of Key Informants Interviewed at AGMARK

1. James Mutonyi Managing Director
2. Allan Mukisira Project Management Department
3. Nixon Khama ICT Department
4. Wilfrida Onono M&E Department
5. Faith Awuor Finance Department
6. Mildred Barasa Administration & HR Department

Annex 3: Graph comparing January 2015 and December 2015 OCA Scores



Annex 6: AGMARK End of Project OCA Scores

Capacity Areas/Elements	Summary Scores
Governance and Legal Structure	3.5
Vision/Mission	4.0
Legal Requirements	3.6
Organizational Structure and Internal Communications	3.1
Board Composition and Responsibility	3.5
Succession Planning	3.2
Financial Management and Internal Control Systems	2.9
Financial Systems	3.0
Financial Controls	3.0
Financial Documentation	3.0
Financial Statements and Financial Reporting	3.2
Audit Experience	3.2
Cost Share (if applicable)	3.0
Administrative and Procurement Systems	3.2
Operational Policies, Procedures and Systems	3.5
Travel Policies and Procedures	3.2
Procurement	3.2
Fixed Asset Control	3.0
Branding and Marking (Optional)	3.2
Human Resources Systems	3.2
Staff Job Descriptions	3.3
Recruitment and Retention	3.2
Staffing Levels	3.0
Personnel Policies	3.5
Staff Time Management	3.3
Staff and Consultant History Documentation	3.3
Staff Salary and Benefits Policy	3.0
Staff Performance Management	3.0
Management and Staff Diversity	3.5
Policy on Volunteers/Interns (Optional)	3.0
Program Management	3.4
Donor Compliance Requirements	3.5
Sub-Award Management (where applicable)	3.0
Technical Reporting	3.5
Stakeholder Involvement	3.5
Culture and Gender Issues	3.5
Project Performance Management	2.9
Monitoring	2.8
Evaluation	3.0
Standards	3.2
Supervision	2.8
Field Support and Oversight	2.8
Organizational Management and Sustainability	3.2
Strategic Planning	3.5
Work plan Development	3.5
Change Management	2.7
Knowledge Management and Linkages	3.2
Opportunity Development for Sustainability	2.8
Internal Communications	3.3
Decision Making	3.5