

Understanding the Importance  
of Institutional Development

# INSTITUTIONAL DEVELOPMENT ROADMAP HANDBOOK

Effective Design, Implementation and  
Evaluation of Project-led Institutional  
Development in the Transport Sector

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# Handbook Contents

<i>Foreword</i> . . . . .	.iii
<i>Acknowledgment</i> . . . . .	v
<i>Abbreviations</i> . . . . .	vii
<i>Executive Summary</i> . . . . .	.ix
<b>Introducing the Institutional Development Roadmap</b> . . . . .	<b>1</b>
<b>Applying the Institutional Development Roadmap</b> . . . . .	<b>5</b>
Step 1: Contextual Assessment . . . . .	5
Step 2: Institutional Capacity Assessment . . . . .	8
Step 3: Design of Institutional Development Activities . . . . .	11
Step 4: Implementation, Monitoring and Evaluation . . . . .	12
<b>The Institutional Development Roadmap Toolkit</b> . . . . .	<b>15</b>
Step 1 (a): Contextual Assessment . . . . .	16
Step 1 (b): Assessing Context against Standards . . . . .	19
Step 1 (c): Maturity levels of various areas of Contextual Assessment . . . . .	27
Step 2 (a): Institutional Capability Assessment . . . . .	30
Step 2 (b): Maturity level of Capability Assessment . . . . .	33
Step 3: Design of Institutional Development Activities . . . . .	35
Step 4: Implementation, Monitoring and Evaluation . . . . .	36
<b>Annexes</b> . . . . .	<b>39</b>
Annex A: Preparation for the Road Agency (RA) institutional and functional review . . . . .	40
Annex B: Contextual Assessment for the Identification of Pre-Project Activity . . . . .	44
Annex C: Capability Assessment for ID Design . . . . .	52
Annex D: Pilot application of the Institutional Development Roadmap . . . . .	59



# Foreword

The World Bank (WB) is a vital source of financial and technical assistance across the transport sector in India. However, the estimated scale of the required investment in this sector (US\$ 500 billion or 3.6% of GDP over tens years) means that WB staff urgently need support in planning, implementing and monitoring sustainable institutional development.

Following a 2014 SARDE review of the application of good practice, the World Bank commissioned a cross-case comparison within the India transport portfolio to develop an evidence-based understanding of the success of institutional development interventions.

The findings from this research have been incorporated into a Handbook ('The Institutional Development Roadmap (IDR) Handbook') which serves to assist users support the project lifecycle, drawing upon lessons learned and international best practice for capability development.

THE IDR is an evidence-based framework that promotes a structured and systematic approach to the development of a 'plan for change' and robust development related activities. The framework supports users with project-led development design, implementation, monitoring and evaluation that enables the results to be captured and the impact to be assessed.

**The Institutional Development Roadmap (IDR) represents the first step in a more robust approach to preparing for project-led institutional development and ensuring maximum value from World Bank investment and support in the transport sector in India.**

**Karla Gonzalez Carvajal**

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The transport section in India will require an investment of nearly \$500 billion (3.6 percent of GDP) over the next 10 years



Progress has been made with respect to the application of good practice but this appeared to be erratic  
- SARDE, 2014



# Acknowledgment

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# Abbreviations and Defined Terms

<b>CDRF</b>	Capacity Development Results Framework
<b>GP</b>	Governance Practice
<b>Government</b>	National or State Government
<b>HR</b>	Human Resources
<b>IA</b>	Implementing Agency (e.g. Public Works Department)
<b>ID</b>	Institutional Development
<b>IDR</b>	Institutional Development Roadmap
<b>IDRt</b>	Institutional Development Roadmap Toolkit
<b>M&amp;E</b>	Monitoring and Evaluation
<b>PAD</b>	Project Appraisal Document
<b>PDO</b>	Project Development Objective
<b>SAR</b>	South Asia Region
<b>TTL</b>	Task Team Leader
<b>WB</b>	World Bank
<b>WBG</b>	World Bank Group
<b>WBI</b>	World Bank Institute



# Executive Summary

The World Bank (WB) is a vital source of financial and technical assistance across the transport sector in India. While financial resources and technical expertise are vital, they are not sufficient to promote sustainable development (UNDP 2008; World Bank 2011). This requires strong and durable institutions in client countries.

In India's transport sector, the extent to which sustained Institutional Development has been achieved varies significantly between projects. An understanding of the factors that led to successful outcomes and sustained institutional development is key to ensuring long-term added value of WB and client country investments.

A WB cross-case comparison of projects in the Indian transport portfolio found that Institutional strengthening plays a key role in determining success. It was even more effective when ID was included in the Project Development Objective (PDO).

Based on lessons learned in India, and the best practices used by the WB and other development partners, SAR Transport developed the Institutional Development Roadmap to support the successful integration of ID in WB transport infrastructure projects. This approach:

Enables WB Task Team Leaders (TTLs) and IAs to take a more systematic, nuanced, and outcome-based approach to project-led ID;

Ensures that ID is appropriately included in the PDO; and

Builds on recognized and established best practice by enabling ID to be designed to match capability to the context in which it will be utilized.

- Successful ID requires:
- Empowerment of the IA
  - Full life-cycle, project led ID

Step 1:  
Sector dynamics  
and strategic risk

Step 2:  
Implementing  
Agency capability

Step 3:  
Design of ID  
enabling activities  
and M&E

Step 4:  
Implementation,  
Monitoring,  
Evaluation

The Institutional Development Roadmap is a structured and rigorous four-step approach to planning. It is flexible and adaptable to different contexts and needs. It supports strategic, data-driven decision-making for project-led ID throughout the project life cycle.

Clear instructions and a set of four interrelated and mutually reinforcing tools are provided in this Handbook for TTLs and IAs to use in the design, implementation, monitoring, and evaluation of project-led ID.

Taken together, these tools facilitate the development of a PDO that integrates ID with infrastructure investments by identifying opportunities for sustainable results beyond the life of the project. Since there are time and cost implications for implementing IDR tools, TTLs and IAs will need to jointly plan accordingly at the outset.

Templates are provided so that completion of the documentation is straight forward. An illustrative example is also provided.

### BOX 1: OVERVIEW OF ROLES AND THE IDR

Who Should Use the IDR	Who, Why, and When to Use the IDR
<p><b>Task Team Leader (TTL)</b></p>	<p><b>Who:</b> TTLs are trained by ID experts to familiarize themselves with the IDR approach and how it works in all phases of the project life cycle.</p> <p><b>Why:</b> To guide TTLs to diagnose capacity gaps and the needs of IAs for the effective design, implementation, monitoring, and evaluation of sustainable ID.</p> <p><b>When:</b> The Institutional Development Roadmap (IDR) should be initiated during the early stages of project identification and continue throughout the project life cycle. This facilitates the identification of sustainable ID interventions at the outset and supports dialogue with key stakeholders to support ID throughout implementation.</p>
<p><b>ID Expert</b></p>	<p><b>Who:</b> TTL, along with assistance of ID experts, should take the lead in the design of the ID interventions, including the results framework.</p> <p><b>Why:</b> To support the needs analysis for the effective design, monitoring, and evaluation of sustainable ID.</p> <p><b>When:</b> The analysis should be initiated at early stages from project identification and continue throughout the project life cycle.</p>
<p><b>IA Project Director (or equivalent) responsible for developing, implementing, and owning ID outcomes</b></p>	<p><b>Who:</b> The IA should designate a Project Director, who is empowered to work closely with the TTL and ID expert as required.</p> <p><b>Why:</b> The Project Director is trained by the ID expert and TTL to oversee the process from the client's side. The Project Director is responsible for managing and supervising the use of IDR tools; facilitating dialogue around the findings; serving as a liaison between the TTL, ID expert, and key stakeholders; helping to determine the project's scale and scope; regularly monitoring project activities; and periodically sharing updates with the TTL, ID expert, and key stakeholders as required.</p> <p><b>When:</b> The Project Director should be identified at early stages of project identification.</p>

# Introducing the IDR

**D**elivering services is far more complex and less obvious than building or upgrading road, airport, or port infrastructure. It requires a foundation of institutional capacities that span policy, strategy, governance, and management. The ability to recognize areas for reform, build the capacity to implement this reform, and translate this into successful projects that deliver sustainable outcomes can be challenging. The Institutional Development Roadmap presents a set of tools that enables users to develop projects that successfully and sustainably integrate infrastructure and institutional development (ID). These tools provide a systematic assessment of the reform environment and the achievement of clear and measurable development outcomes.

ID refers to activities undertaken to strengthen the capacity of public sector organizations to sustainably deliver results through enhanced planning, delivery, and asset maintenance capabilities. Institutions are broadly understood as “systems of established and embedded social rules that structure social interactions” (Hodgson 2006), while organizations are administrative and functional structures that formally bring together people for a specific purpose or goal. Institutions influence, either formally or informally, how public-sector delivery organizations operate and carry out their bounded missions.

A holistic approach to ID is required if WB investments are sustainable in the long term. In India’s transport sector, the extent to which sustained improvements in institutional capacity have been achieved varies significantly between projects. A WB cross-case comparison of projects in the Indian transport portfolio identified two primary critical success factors for sustained institutional capacity improvements:

- **Empowerment of Implementing Agencies (IAs);** and
- **Full life-cycle, project-led ID** that targets common weaknesses in capacity.

This cross-case analysis revealed ID-related elements that contribute to successful projects. These elements are both contextual (tackling institutional challenges, Government commitment, IA commitment) and technical (Human Resources, Environmental & Social Safeguards, Monitoring & Evaluation, Procurement [including contract management], Maintenance, Financial Management, and Road Safety [for road projects]).

Human Resources and Planning & Design were followed by Procurement (including contract management) and Social & Environmental Safeguards. Project-led Maintenance interventions were also highlighted in two projects. Based on these findings, SAR Transport developed the IDRt to help TTLs (in consultation with Governance Practice (GP) colleagues) and IAs take a more systematic, nuanced, and outcome-based approach to developing, implementing, monitoring, and evaluating project-led ID.

The IDR is a robust approach to institutional assessment and planning for project-led ID. Built upon learning from WB and international best practices such as the Project Initiation Routemap (IPA 2016), the IDR is not intended to replace existing WB practices used throughout the project life cycle but to capitalize on project-led ID to achieve sustainable development outcomes. For example, the World Bank Institute (WBI) Capacity Development and Results Framework (CDRF) captures WB’s best practices and provides helpful practical guidance on capacity building.

## TOOLKIT (IDRT)

The IDR presents a set of four interrelated tools that can help TTLs and IAs develop projects that coherently integrate infrastructure and ID, specifically focusing on building sustainable capacity to achieve both. The IDR contributes toward ensuring high impact, sustainable development by providing a systematic way to assess the environment for change and the capacity of IAs to achieve clear and measurable development outcomes.

The IDRT is informed by the building blocks of political economy analysis, focusing on how power and

resources are distributed and contested in specific areas of possible project support (DFID 2009; OECD-DAC 2005; World Bank 2007; World Bank 2008). It was designed to identify opportunities and challenges in these areas by addressing how formal and informal interests, incentives, and institutions support or prevent the reforms required for sustainable ID. The tools also recognize the importance of engaging key stakeholders (including citizens impacted by potential WB projects) in designing and implementing sustainable interventions that are achievable within the project life cycle and sustainable after the project closes.

FIGURE 1: THE IDR APPROACH

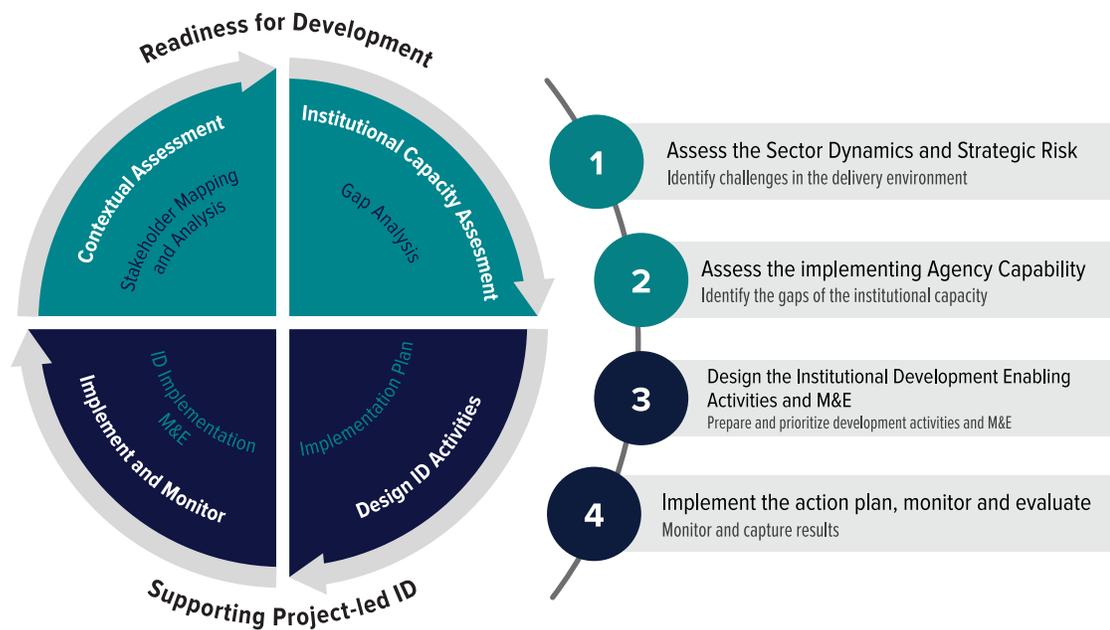


Figure 1 illustrates the IDRT approach, and it comprises the following four (4) steps that support decision making throughout the project life cycle.

- **Step 1: Contextual Assessment**
- **Step 2: Institutional Capability Assessment**
- **Step 3: Design of ID Activities**
- **Step 4: Implementation, Monitoring, and Evaluation**

This approach is informed by best practices in international development, lessons learned from past SAR transport projects, and the Bank's operational requirements. The first step listed above focuses on an in-depth understanding of the operational context,

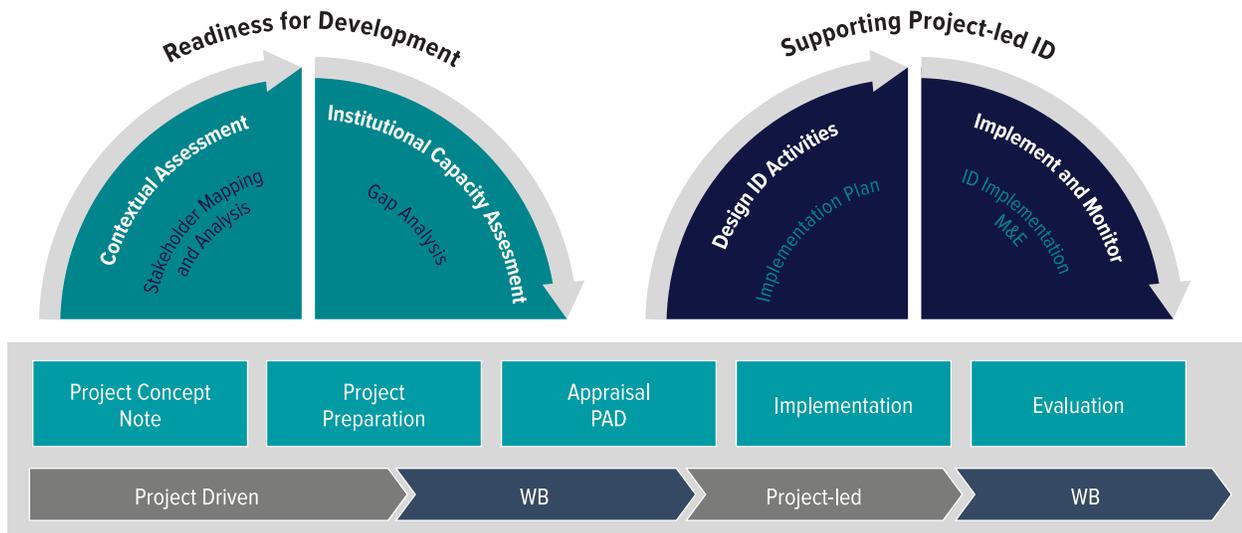
as well as the importance and influence of all relevant stakeholders. The second focuses on the capability assessment (capacity of stakeholders; the development of project-led ID such as formal frameworks, monitoring and evaluation frameworks, staffing, policies etc.). The third step focuses on the implementation design of activities based on the IDRT scoring tool card (Table 6) which provides an accurate capacity level of the institution based on assessments of the previous two steps. The fourth and last step focuses on the implementation, monitoring, and evaluation of project activities to enable and capture impact. The IDR tools described and presented in this document correspond to these four steps.

The IDRT approach complements the WB project life cycle and provides rapid appraisals to identify areas for

discussion and action to support the development of the Project Appraisal Document (PAD), project implementation, monitoring, and evaluation (Figure 2). The IDRT can also be used to explore more than one project idea

and provide the basis for prioritizing short-, medium-, or long-term ID intervention options to determine which ones have the greatest potential for enhancing the capacity needed for sustainable ID.

FIGURE 2: THE IDR APPROACH AND THE WB PROJECT LIFE CYCLE



Before using the tools described in this Handbook, the TTL and IA should consider time and cost implications for WB and Government staff (including travel and training requirements). The TTL and IA should specifically explore possible joint financing arrangements between the WB, IA, state and/or national government(s), and interested development partners. Including development partners in this conversation is especially important for monitoring ID outcomes after projects close, since sustainable ID often takes longer than the typical project WB life cycle.

The IDRT should be viewed as a “whole of business” approach to developing, implementing, monitoring, and evaluating WB investments. The WB and governments (represented by the TTL and IA) can work together to identify short- and medium-term, and longer term ID requirements for sustaining costly infrastructure investments. The tools presented in this handbook and the pro formas provided in the annexes specifically focus on the transport sector, but they can be adapted for other sectors and for use by other bilateral and multilateral development partners.



# Applying the IDR

The Institutional Development Roadmap and supporting toolkit (IDRT) was designed for the WB and partner governments to ensure that projects effectively integrate infrastructure and ID to achieve sustainable development outcomes. The four steps described in Figure 1 provide users with a detailed roadmap to effectively apply IDR tools to the full project life cycle. They are the culmination of two years of desk review, field research, and extensive consultations, but SAR Transport recognizes that for the IDRT to be effective, it needs to be continuously updated and improved based on evidence and experience. Taken together with the phase one and phase two studies that focused on “Understanding the Importance of Institutional Development to Project Outcomes,” the Handbook serves as a starting point for promoting and supporting institutional strengthening and reform needed for sustainable asset management and maintenance.

One of the main objectives of the tool is to support a structured dialogue between the Bank team and the client; it supports the project Task Team in adopting a more methodical approach to project design by matching capability to the context.

During the project identification phase, the IDRT is a great resource that allows the project team to collect and analyze various information that not only supports the design of tailored interventions to the client but is also a means to determine the right financing instrument for the project based on the types of the needed interventions. As such, the first step before conducting the IDRT assessments, the “identification” step, allows the Bank team to develop a clear project plan, which is then informed by the assessment outcomes to create project activities that are adapted to client context.



## Step 1: Contextual Assessment

The Contextual Assessment step in the IDRT approach is focused on undertaking an assessment of the ‘readiness’ of the delivery environment to support the development objectives and any required institutional development. To do this, the **Contextual Assessment** is used in two ways: (i) to understand the contextual factors and why increased pre-project activity may be required to manage strategic risks to achieving development goals; and (ii) to evaluate the contextual situation against typical standards to inform the scoring process. Overall, the tool will allow assessment of the broader political, social, and economic environment, and sector dynamics, to identify challenges to the achievement of development objectives. This tool is framed around

the factors that commonly contribute to complexity, which can reduce the likelihood of achieving outcomes, exposing projects to risk and uncertainty, and reducing value for money. For example, in countries which have federal arrangements (such as India), there are multiple levels of “context” to be considered: local community, state, national, regional, and global. This tool is flexible enough to accommodate any or all levels as required by on-the-ground realities.

Three key factors have been identified to enable an in-depth understanding of the client context, namely: (i) the sociopolitical environment, (ii) policy instruments, and (iii) organizational arrangements. Assessing the

sociopolitical environment permits to better understand the likelihood of change and the confidence in the implementing agency's capacity to adapt to that change while considering various stakeholders' influence. The policy instrument allows to better understand the operational performance of the implementing agency and its capacity to align with other projects, as well as financial viability; while the organizational arrangements allow to grasp the amount and magnitude of transformational change required to support new ways of working in a given context (e.g., new delivery models).

The tool then allows for a two-scoring method: the self-assessment by the IA and the assessment conducted by an expert, i.e., the project TTL or team member based on three levels of contextual situations against typical standards. As such, the two-level assessment permits more realistic analyses of the context under review, and provides an increased involvement in the process of assessing strengths and areas in need of improvement, especially for the IA. The IA's strong involvement in the process will enable its ownership in the IDRT approach.

### **WHAT IS THE PURPOSE OF THE CONTEXTUAL ASSESSMENT TOOL?**

The Contextual Assessment Tool provides an in-depth understanding and analysis of the context to ensure that the environment is apt for sustainable ID. This includes an assessment of: (i) the sociopolitical environment, which focuses on the stability of the environment and the role and importance of stakeholders and influencers; (ii) policy instruments, with a particular focus on unpacking the strategic importance of the project, the alignment of project objectives, and its financial viability; and (iii) organizational arrangements such as execution complexity. All factors have a significant impact on the successful delivery of the project. For example, using this tool enables the TTL and IA to systematically assess stakeholder commitment needed to support successful project-led ID, and determine the level of this commitment as well.

The assessment questions can be used by TTLs and the IA to assess the need for and plan preparation activities to manage existing situations, or retrospectively to identify the root causes of outcomes that have not been achieved in the past.

### **HOW DO YOU USE THE CONTEXTUAL ASSESSMENT TOOL?**

The Contextual Assessment Tool (understanding the context and assessing the context) should be used by TTLs and the IA during project identification and preparation. The section on understanding the context presents six factors divided into 16 sub-factors, namely: (i) stability of the environment; (ii) stakeholders and Influencers; (iii) strategic importance of the project; (iv) alignment of objectives; (v) financial viability; and (vi) execution complexity, that should be considered in turn, along with guiding questions. The section on assessing the context provides three levels of contextual situations against typical standards that should be used in both the self-assessment and the expert assessment. (See Phase One Study Annex 2, WBI 2012; and UNDP 2008 for examples of questions that are relevant for this tool).

Figure 3 showcases the “understanding the context” subsection to illustrate the context review process through the application of factors and sub-factors for a better understanding/assessment of the context. This is accomplished by using a visual of the contextual assessment showing an example of a factor used to assess the context and identify challenges.

Figure 4 illustrates the “the assessing the context” subsection which helps the assessor to determine, based on the proposed three levels, at what level a given context is situated based on typical standards and norms.

The related questions included in the “assessing the context” section, through its three levels, will enable TTLs and IAs to assess the level of specific context against typical standards and norms. For example, if a TTL and IA are jointly developing a transport project in Nepal, the following additional questions related to implementation continuity and completion risks could be added to the assessing the context section: (1) What impact has the protracted, post-conflict political transition had on formal and informal institutional arrangements in Nepal's transport sector?; and (2) How has this transition impacted the capacity of key government entities to build a road, bridge, or airport and sustain this asset after the project ends? Answers to these types of questions reveal country-specific political, economic, and/or social opportunities and challenges

of potential project interventions and related ID activities. The guiding questions in this section can also be used to stimulate discussion and/or identify information

relevant to a possible project intervention to determine if a related ID activity is realistic and sustainable.

FIGURE 3: UNDERSTANDING THE CONTEXT

Understanding the Context		
Review the contextual factors and why increased pre-project activity may be required to manage strategic risk to the development goal.		Asses the context by answering the contextual considerations related to each of the factors. Where challenges to the achievement of the development goal raised and identify the potential cause of the challenge.
Factors		Guiding Questions
Socio-Political Environments		
<p><b>Stability of the Environment</b></p> <p>The environment stability has an impact on the Implementing Agency's capacity to deliver and will influence how activities and risks will be managed.</p> <p>The likelihood of change and confidence in the Implementing Agency's capacity to adapt to that change will inform pre-project activity needed to mitigate the risks and stabilize the environment.</p>	<p><b>Leadership Commitment</b></p>	<ul style="list-style-type: none"> <li>• Are relevant leaders committed to the reform/development goal?</li> <li>• Is there evidence of bureaucratic support for the development goal (required legislations, expressed public support)?</li> <li>• Is commitment reflected in investment priorities?</li> <li>• Is support protected against political change?</li> </ul>
	<p><b>Conductive political, economic, and/or social environment.</b></p>	<ul style="list-style-type: none"> <li>• Have there been any recent political, economic, or social issues that have impacted the general governance environment?</li> <li>• Are there any political, economic, or social issues that have impacted or disrupted planning and service delivery in the transport sector?</li> <li>• What are the key contextual factors that have impacted meaningful reforms in the sector (including community, state [for federal systems], national, regional, and global factors)?</li> </ul>

FIGURE 4: ASSESSING THE CONTEXT

Assessing the Context		
Assess the context by evaluating the contextual situation against typical standards and inform scoring		
Level 1	Level 2	Level 3
<p>There are significant organizational challenges. Practices, processes and systems are outdated or immature.</p>	<p>Some elements of good practice are being utilized. Systems and processes are appropriate for the current requirement but may not be sustainable</p>	<p>There is an outcome focus and maximum value is achieved from the asset and external relationships</p>
<p><input type="checkbox"/> Ownership of the project is weak and legislation has not been enacted or effectively approved through appropriate channels.</p> <p><input type="checkbox"/> There is no investment plan or it is disconnected to the project objectives</p>	<p><input type="checkbox"/> Adequate legal frameworks are in place and aligned with investments policies.</p>	<p><input type="checkbox"/> Legal frameworks and investment plans are clearly articulated in a regional/national development plan and a public monitoring mechanism is in place.</p>
<p><input type="checkbox"/> There is evidence of high turnover in project leadership linked to new governmental appointments.</p>	<p><input type="checkbox"/> There is public disclosure and monitoring of public investments.</p>	<p><input type="checkbox"/> There is public disclosure and monitoring of public investments.</p>

Once a deeper understanding of the context, along with identifying challenges and opportunities in the delivery environment, are gained, the next step is to assess the capability of the IA to effectively operate in this environment.

**Note:** A project must be proposed before the assessments can be completed. It is not expected that the project will necessarily have been clearly defined at this stage. If project preparation has commenced, then the likelihood of mitigating risk to the project is reduced and the considerations should be addressed from a risk management point of view that recognizes the reduced scope for change.



## Step 2: Institutional Capability Assessment

This step in the IDR approach assists users in moving from a broad institutional challenge, as identified in a project concept note and broadly contextualized in Step 1, to identifying specific capability gaps in the IA through a simplified and user-friendly gap analysis.

The Institutional Capability Assessment is used to articulate the institutional challenges in terms of the current capacities and the desired/required capacity to support the PDO and the delivery of the project. This step considers what is needed for project delivery and/or the development objectives and how this differs from current capability. The approach assesses the capacity of the identified agency to perform technical and managerial roles and responsibilities required. The gap between the required and actual capacity of the agency provides the rationale for one or more targeted interventions. The purpose of this assessment is to consider, for each capability area, whether there is evidence of a capability (good practice), and if not, describe the gap in capability such that development areas to close the gap can then be defined.

To accomplish this, the **IA Capability Assessment Tool** has two parts: a gap analysis section on core capability areas and a second section on a good implementation/evidence practice matrix based on a three-level assessment against typical standards and norms. Overall, the IA Capability Assessment tool articulates the institutional challenges in terms of the current capacities and the desired/required capacity to support the PDO and the delivery of a potential transport project. The capabilities identified in the gap analysis section (see Table 5) are indicative of the common strengths and weaknesses in IA capacity. This does not necessarily mean that the highest level of capability is required. However, this step considers what is needed for project delivery and/or the development objectives and how this differs from current capacity. For example, if a TTL

is developing a road transport project, this tool could assess the capability of the road agency to perform required maintenance on the existing road network, including new roads built with project funds. If there is a gap between the required and actual capability of this agency, this would provide the rationale for one or more targeted, project-led ID interventions in the road maintenance regime to address this gap.

### WHAT IS THE PURPOSE OF THE IA CAPABILITY ASSESSMENT TOOL?

The IA Capability Assessment Tool assists users to identify capacity gaps in the IA that are specifically related to institutional challenges in the transport sector. It provides evidence of the capacity that may require development to support project delivery and the achievement of the development objectives.

The purpose of this assessment tool is to consider, for each capability area, whether there is evidence of IA capability (good practice) through a self-assessment of the IA agency along with an expert assessment. If evidence of good practices do not exist, the tool enables describing the gap in capability such that development areas to close the gap can then be defined.

The IDRt scoring tool in this step will allow for a two-scoring method: the self-assessment by the IA and the assessment conducted by an expert, i.e., the project TTL or team member, based on three levels of in practice capability levels against typical standards. As such, the two-level assessment permits more realistic analyses of the institutional capability and increases the IA's involvement in the process of assessing its strengths and areas in need of improvement, therefore, enabling a stronger ownership of the entire process.

## HOW DO YOU USE THE IA CAPABILITY ASSESSMENT TOOL?

The Capability Assessment Tool can be used by TTLs and IAs during project preparation to articulate the changes needed to support project success and inform robust planning for project-led ID.

The **IA Capability Assessment** is used to understand the current and desired IA capability level and identify

development areas. If the current capacity of the IA is uncertain, evidence of good practice and further areas to probe can be found in the **IA Capability Assessment**.

The Institutional Capability Tool focuses on five clusters of technical areas that need to be considered when determining IA capability gaps and identifying possible development areas related to those gaps via the assessing practice section. These technical area clusters are described in Table 1.

**TABLE 1: REQUIRED TECHNICAL CAPABILITY AREAS FOR IAS TO EFFECTIVELY DELIVER PROJECTS**

<p><b>Project governance arrangements</b></p>	<p><b>Focus:</b> Transparent project governance policies and procedures</p> <p><b>Problem:</b> Ineffective, formal delegation of authority, institutional accountability, and decision making; weak alignment of project development objectives to sector development goals</p> <p><b>ID Solution:</b> Introduce development agreements and robust governance frameworks (systems and processes for delegation, decision making, and change management); facilitate clarity, accountability and action (which engenders private sector confidence)</p>
<p><b>Human resources</b></p>	<p><b>Focus:</b> Transparent HR hiring policies and procedures to support project development goals</p> <p><b>Problem:</b> Ineffective and opaque HR hiring policies and procedures</p> <p><b>ID Solution:</b> Support good HR policies and practices to create a positive work ethic and help management attract, develop, and motivate staff to achieve results and deliver qualitative services to the public</p>
<p><b>Environmental and social safeguards</b></p>	<p><b>Focus:</b> Effective project asset maintenance and management</p> <p><b>Problem:</b> Weak provision of maintenance services to customers along with underutilization of systems of asset management to achieve outcomes</p> <p><b>ID Solution:</b> Support transparent and robust approach to asset management to improve service delivery, including output and outcome performance measurement based on customer expectations</p>
<p><b>Asset management approach</b></p>	<p><b>Focus:</b> Focus: Effective project asset maintenance and management</p> <p><b>Problem:</b> Weak provision of maintenance services to customers along with underutilization of systems of asset management to achieve outcomes</p> <p><b>ID Solution:</b> Support transparent and robust approach to asset management to improve service delivery, including output and outcome performance measurement based on customer expectations</p>
<p><b>Business practices and implementation procedures</b></p>	<p><b>Focus:</b> Development and implementation of systems and processes for effective project implementation</p> <p><b>Problem:</b> Immature industry/business practices</p> <p><b>ID Solution:</b> Develop industry/business best practices, including project delivery capabilities, technical knowledge, and market understanding</p>

Users should review each statement in the gap analysis section in Table 1; this might necessitate searching for additional information to determine if there is existing evidence of “lagging,” “good,” or “exemplar” practices in the five required technical areas. This provides a way for the user to systematically assess the capacity—or level of readiness—of the IA across and within technical areas. The user should record answers to the guiding questions in the comment box to the right of the scoring boxes.

It may be helpful to interview and obtain documents from other development partners that have worked with

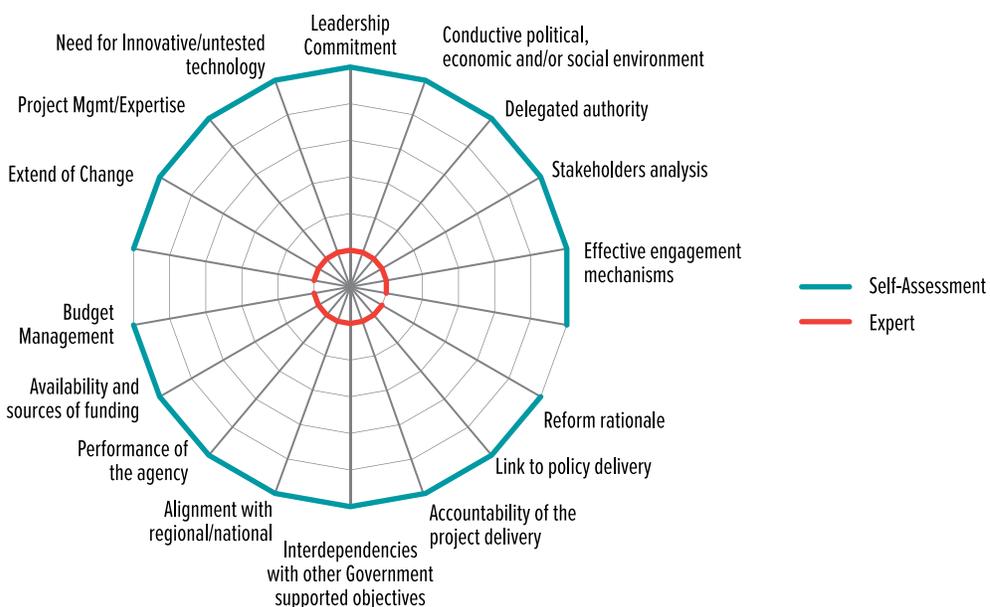
the IA and jointly review the Capability Assessment section (see Table 4) for their insights into the IA’s capacity gaps. Based on this review, users can then determine whether there is a capacity gap (difference between current and good practice) and identify the associated development area to ‘close the gap’ if needed. A pro-forma is provided in the annex.

**Note:** In most cases Steps 1 and 2 should be conducted together to provide a comprehensive picture of the required project preparation activity and the agreed gaps to be addressed through project-led ID.

FIGURE 5: EXAMPLE OF A CONTEXTUAL ASSESSMENT SCORING METHOD

Contextual Assessment			
		Self-assessment	Expert
<b>Sociopolitical</b>			
Stability of the environment	Leadership commitment	3	1
	Conducive political, economic, and/or social environment	3	1
	Delegated authority	3	1
Stakeholders and influencers	Stakeholders analysis	3	1
	Effective engagement mechanisms	3	1
<b>Policy instruments</b>			
Strategic importance of the project	Reform rationale	3	1
	Link to policy delivery	3	1
	Accountability of the project delivery	3	1
Alignment of objectives	Interdependencies with other Government supported objectives	3	1
	Alignment with regional/national strategy	3	1
	Performance of the agency	3	1
Financial viability	Availability and sources of funding	3	1
	Budget Management	3	1
<b>Organizational arrangements</b>			
Execution complexity	Extent of change	3	1
	Project management/expertise	3	1
	Need for innovative/untested technology	3	1

FIGURE 6: EXAMPLE OF A SCORING GRAPH





## Step 3: Design of ID Activities

The step on preparing for designing project activities will focus on developing a sustainable implementation action plan that will help determine the scope for sustainable project-led ID. It is important that the development areas should be jointly agreed upon by the WB and the Government. Reaching agreement may require an iterative policy dialogue with Government leaders and/or targeted stakeholder consultations. The cross-comparison of South Asia transport projects identified strong Government and IA commitment as contributors to project success. Across 9 of 12 closed projects, and 8 of 12 ongoing projects in India, Government and IA commitment promoted an enabling environment for project success. Strong Government commitment was demonstrated through a clear regulatory and policy framework, and from commitment of financial and human resources.

The **Design of ID Activities** section is based on outputs from the assessments conducted in Steps 1 and 2. These assessments, coupled with their IDRt scoring levels, will determine how to tailor interventions to address each factor identified gap. The **Contextual Assessment** in Step 1, categorized in six key areas with their sub-factors, will help identify challenges to the delivery environment. As such, the “Activity Planning Log” will allow to propose adapted interventions. These should be discussed and agreed upon by the TTL and IA along with key stakeholders as development areas to appropriate for needs analyses in the final stage of ID planning.

Recall that in Step 2, the **Capability Assessment** identified and described in Table 1 were grouped in five broad areas: (i) project governance arrangements; (ii) human resources; (iii) environment and social safeguards; (iv) asset management approach; and (v) business practices and implementation procedures. The step has a column “Activity Planning Log” which allows for the previously identified capability gaps to be translated into discrete areas for development or wider areas for change. These should be discussed and agreed upon by the TTL and IA as development areas to appropriate for needs analyses in the final stage of ID planning. Agreement should be captured in the Activities Planning Log.

The examples in Figures 5 and 6 showcase the tools’ scoring methods. There are two levels of scores, the

self-assessment and the expert assessment, along with its graph.

### WHAT IS THE PURPOSE OF THE ACTIVITY PLANNING LOG?

Project-led ID requires the buy-in and ownership of the IA. The purpose of the Activity Planning Log in both Steps 1 and 2 is to capture agreed activities. The assessments conducted in Steps 1 and 2 have identified project preparation activities that, if carried out, will enable the management of strategic risks to achieve the desired project outcomes. This list of activities, along with the agreed development areas, should be recorded in the Activity Planning Log in each step. A proforma is provided in the annex.

### HOW DO YOU USE THE ACTIVITY PLANNING LOG DESIGN?

The Activity Planning Log should be used by the IA, stakeholders, and the TTL following completion of the Contextual and Capacity Assessments to agree on what activities need to be undertaken in preparation for the ID. Since it is essential that the IA agrees with the proposed activities, the Activity Planning Log is best developed through sustained engagement between the TTL and the IA, along with other relevant stakeholders. This could take the form of multiple project development team meetings that culminate in one or more stakeholder workshops.

The team should review the completed **Contextual Assessment** section (Step 1) and the suggested activities in its Activity Planning column. They should also review the completed **Capability Assessment** (Step 2) and the development areas recorded in its Activity Planning column following the assessing good practice section.

Based on the analysis of the data obtained from the tools described above, the TTL and IA should agree on the project preparation activities required, considering which activities should support the management of strategic risks and help to create an environment for sustainable ID. Explicit attention should be paid to the formal and informal institutional arrangements

that characterize the sector, and the stakeholders that need to be engaged in all phases of the project cycle. The agreed actions should be recorded in the Activity Planning column with a clear definition of what the activity is. The next column on “comments and notes” should be used to further detail who is going to carry out which

activity and when it needs to be done, as well as any other necessary information that needs to be recorded on each activity.



## Step 4: Implementation, Monitoring, and Evaluation

To enable change and allow for the impact of ID to be captured, the agreed development areas are translated through a needs assessment into capacity development responses. This involves the identification of the enablers (or “change agents”) required to support change (to close the gap) in the areas of people, process, and systems, along with defining specific actions related to each enabler.

The indicators of progress are identified as intermediate outputs and as outcomes related to the agreed development area described in the PDO.

### WHAT IS THE PURPOSE OF THE ID IMPLEMENTATION, MONITORING, AND EVALUATION?

The **ID Implementation, Monitoring, and Evaluation** step provides an approach to transforming the agreed development areas (gaps), through a needs assessment, into packages of ID accompanied by clear indicators to monitor and evaluate performance. It recognizes that the project is a vehicle for ID, representing a step change in capacity. The full benefit of the ID may not be realized within the duration of the project. However, the actions and intermediate outputs (as indicators of change) can be developed for the project and for capturing impact.

### HOW DO YOU USE THE ID IMPLEMENTATION, MONITORING, AND EVALUATION?

The **ID Implementation, Monitoring, and Evaluation** step should be used by TTLs to assist the IA in designing the ID, developing indicators for inclusion in the PAD. It is based on the scoring process in Step 3 and

forms the basis for developing a PDO that successfully integrates infrastructure and ID.

Agreed Development Areas are input in the first column of the template. The next step is for users to consider what is required to enable the change related to the agreed development area. There are three categories of change enablers on this template that are described below, with questions that users can ask when completing the Enablers of Change section of the template.

- **People:** Who is required to positively impact the Agreed Development Area? Are there particular Government organizations that require restructuring or reorganization? Who is impacted? Are there capacity gaps that require targeted training for staff? What is the capacity gap and who should receive the training?
- **Process:** What processes are required to positively impact the Agreed Development Area? What specific business practices are required, and do they need to be revised or replaced? Are there technical area strategies that require revision or replacement as well?
- **Systems:** What systems are required to positively impact the Agreed Development Area? What needs to be done to improve these systems?

Once this section is completed, the user will have the granularity required to design useful interventions, target what needs to be regularly monitored and evaluated and how this should be done, and determine what types of data will be required as metrics to measure outputs and higher level outcomes needed to monitor and measure progress.

As such, users should challenge themselves to ensure they have fully considered all enablers. For example, if the actions identified to enable development in the Agreed Development Area are all under one of the template columns (i.e., all actions are related to the development of systems), then reconsider whether there are activities required related to the culture (people) or working practices (process) to integrate and operationalize any investment in systems development. When this is done, the next stage is to determine the ID components (packages).

Users now need to consider whether it is appropriate to package actions related to development area or if effort would be better organized around enablers of change. The template in Annex B has been designed to support users to look across the range of enabling activities and conceptualize different ways of packaging the interventions, rather than simply defining an ID component for each development activity.

For example, if there are a significant number of actions under People Enablers, then it might be a better value to develop a package of work focusing on organizational development. A similar approach should be applied if several interrelated process or system interventions are required. These packages can then be described as the

ID components, agreed with the IA and recorded in the ID Component column of the template.

Having agreed on the ID components, users should then reflect on the ID components along with the associated Development Areas (linking back to the institutional challenge), and then identify appropriate Intermediate Outputs. Consideration should be given to how the activities within the ID component work to enable development and what would represent a step change in IA capacity.

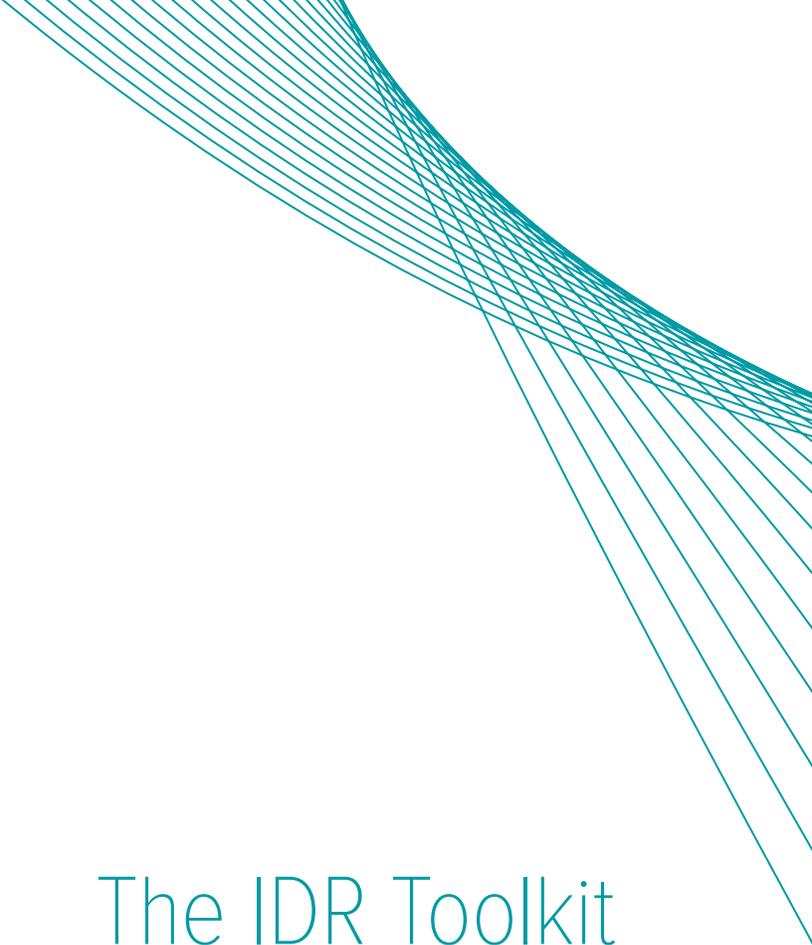
To develop the PDO, users should review the Intermediate Outputs identified, develop intermediate outcome indicators based on these outputs, and then create a PDO statement that adequately describes the totality of the project, balancing objectives related to any civil works constructed and the capacities developed for their sustainability.

There are several World Bank and United Nations Development Program reports that provide examples of indicators that have proved successful in projects across technical areas (see WBI 2009, pp. 74–82; WBI 2012; UNDP 2008, pp. 41–73). These indicators may need to be adapted for ID specifically in the transport sector.

Understanding the Importance of Institutional Development

# **INSTITUTIONAL DEVELOPMENT ROADMAP HANDBOOK**

Effective Design, Implementation and Evaluation of Project-led  
Institutional Development in the Transport Sector



# The IDR Toolkit



# Step 1(a): Contextual Assessment

## Guiding Questions

With reference to Figure 1 it is clear that a thorough assessment of the context in which the investment is taking place is important. The prompts in the table below guide the user through such an assessment. Proformas are available for ease of information capture.

**TABLE 2: FACTORS OF CONTEXTUAL ASSESSMENT AND GUIDING QUESTIONS**

Factor	Description of Factors	Guiding Questions
<b>SOCIOPOLITICAL ENVIRONMENT</b>		
<b>Stability of the environment</b> The environment stability has an impact on the Implementing Agency's capacity to deliver and will influence how activities and risks will be managed. The likelihood of change and confidence in the Implementing Agency's capacity to adapt to that change will inform pre-project activity needed to mitigate the risks and stabilize the environment.	Leadership commitment	<input type="checkbox"/> <b>Q1:</b> Are relevant leaders committed to the reform/development objectives?
	Conducive political, economic, and/or social environment	<input type="checkbox"/> <b>Q2:</b> Is the current political, economic, and/or social environment conducive for project-led ID?
	Delegated authority	<input type="checkbox"/> <b>Q3:</b> Has the necessary delegated management responsibility/autonomy been granted?
<b>Stakeholders and influencers</b> A significant number of stakeholders with high levels of influence expose the development objectives to risk from differing expectations	Stakeholders analysis	<input type="checkbox"/> <b>Q1:</b> Who are the relevant stakeholders involved in shaping the development objectives? Are stakeholders likely to change? <input type="checkbox"/> <b>Q2:</b> Is there a consensus among these stakeholders and influencers regarding the importance of the development objectives? If not what are the differences and why? <input type="checkbox"/> <b>Q3:</b> Can these differences be addressed or are they irreconcilable? <input type="checkbox"/> <b>Q4:</b> Is the process for defining the project objectives clearly communicated and transparent? <input type="checkbox"/> <b>Q5:</b> Are there regular, formal engagement and reporting channels?
	Effective engagement mechanisms	<input type="checkbox"/> <b>Q6:</b> Does the IA/management have experience working with the project stakeholders and/or in the targeted communities? <input type="checkbox"/> <b>Q7:</b> Does IA have adequate human resource capacity to effectively engage key stakeholders? <input type="checkbox"/> <b>Q8:</b> Are data used to support decision-making and lead stakeholders? <input type="checkbox"/> <b>Q9:</b> Does the IA have systems in place for citizen engagement? <input type="checkbox"/> <b>Q10:</b> Is relevant information shared appropriately?
<b>POLICY INSTRUMENTS</b>		
<b>Strategic importance of the project</b> High expectations of the project outcomes require strong project sponsorship (government commitment and strategic level ownership of the business case). Ambitious projects much have clear accountability at a senior level	Reform rationale	<input type="checkbox"/> <b>Q1:</b> Does the implementing agency have a good understanding of the strategic reasons for the reform? <input type="checkbox"/> <b>Q2:</b> Has the risk of the introduction of new policy/strategy been investigated? Are there potentially conflicting policies? <input type="checkbox"/> <b>Q3:</b> Is there confidence in the primary IA's ability to lead partners through the proposed reform?

Factor	Description of Factors	Guiding Questions
	Link to policy delivery	<input type="checkbox"/> <b>Q4:</b> Is the project critical to the delivery of policy and key strategic objectives? <input type="checkbox"/> <b>Q5:</b> Have challenges to delivery been identified at the system level (policy, legal, and regulatory)?
	Accountability of the project delivery	<input type="checkbox"/> <b>Q6:</b> Have the authorities appointed a senior leader accountable for the project? Are project leaders accountable for the delivery of project outcomes? <input type="checkbox"/> <b>Q7:</b> Are there regular reporting mechanisms between the project leadership and authorities? <input type="checkbox"/> <b>Q8:</b> Is there evidence of agreed, realistic project outcomes and representative targets? What relevant official decisions have been made (public record)? <input type="checkbox"/> <b>Q9:</b> Is there a clear record of the IA and relevant entities following key strategic objectives?
<b>Alignment of objectives</b> Misaligned or poorly followed objectives reduce the likelihood of the project-led ID contributing to sustained capacity development	Interdependencies with other Government supported objectives	<input type="checkbox"/> <b>Q1:</b> Are there multiple funding organizations and/or responsible implementing agencies? <input type="checkbox"/> <b>Q2:</b> Have the institutional challenges been identified and agreed on? <input type="checkbox"/> <b>Q3:</b> Are there clear and jointly owned sector development targets (national, state, and/or local level)? What activities on the critical path are not under the control of the primary IA? <input type="checkbox"/> <b>Q4:</b> Does planning sufficiently consider the timing of other initiatives? <input type="checkbox"/> <b>Q5:</b> How would you describe the working relationships between the IA and other relevant entities?
	Alignment with regional/national strategy	<input type="checkbox"/> <b>Q6:</b> Are the proposed project development objectives sufficiently aligned with national and state policies and strategies? <input type="checkbox"/> <b>Q7:</b> How important are national and state policies and strategies to sector priorities and decision making? <input type="checkbox"/> <b>Q8:</b> Are there other factors that impact sector priorities and decision making? <input type="checkbox"/> <b>Q9:</b> Can the proposed objectives/development goal be clearly linked to sector-level planning and Government investment priorities?
	Performance of the agency	<input type="checkbox"/> <b>Q10:</b> Is the development objective dependent on a significant amount of institutional development? <input type="checkbox"/> <b>Q11:</b> Is there sufficient leadership and senior level experience? <input type="checkbox"/> <b>Q12:</b> Has the solution been successful in other similar environments? <input type="checkbox"/> <b>Q13:</b> Is there a detailed implementation plan that covers how policy, culture, working practices, technology, people, processes, and procedures work together for sustainable development? <input type="checkbox"/> <b>Q14:</b> Is the development objective concentrated but expected outcomes are broad? <input type="checkbox"/> <b>Q15:</b> Is there a clear line of sight between policy, expected outcomes, and project activity?

Factor	Description of Factors	Guiding Questions
<b>Financial viability</b> If the proposed project is of significant value, the funding arrangements for the project are complex, or the project is expected to deliver significant value for the money, more effort should be put into helping the IA prepare a robust business case	Availability and sources of funding	<input type="checkbox"/> <b>Q1:</b> Is there a robust business case for investment? <input type="checkbox"/> <b>Q2:</b> Does the project represent highly involved type/source of finance and/or multiple donor contributions? <input type="checkbox"/> <b>Q3:</b> Is there adequate availability of counterpart funding from the borrower? <input type="checkbox"/> <b>Q4:</b> To what extent are decision makers accountable for the use of financial resources?
	Budget management	<input type="checkbox"/> <b>Q5:</b> Is there a comprehensive budget supported by robust financial modelling? <input type="checkbox"/> <b>Q6:</b> To what extent does the IA have control of the budget? What are the specific financial management strengths and weaknesses of the IA and other relevant entities? <input type="checkbox"/> <b>Q7:</b> How does the implementing entity derive its authority to manage the proposed funding regime?

## ORGANIZATIONAL ARRANGEMENTS

<b>Execution complexity</b> Challenging development objectives in short time frames should be investigated for the capacity of the IA to accept or implement the changes  The amount of transformational change required to support new ways of working (e.g., new delivery models) should be evaluated. If the magnitude of the change is significant, it will need to be managed as a transformational change program, thus providing progressive development through a series of tranches	Extent of change	<input type="checkbox"/> <b>Q1:</b> Is a fundamental change to the IA (significant change in the way the primary delivery agency conducts its work) required in a short time frame? <input type="checkbox"/> <b>Q2:</b> Has the solution been tried in other states, countries? <input type="checkbox"/> <b>Q3:</b> Is there a representative organizational development/human resource strategy in place? <input type="checkbox"/> <b>Q4:</b> Does the IA have the capacity and will to follow through on these reforms? <input type="checkbox"/> <b>Q5:</b> Are there sufficient/qualified human resources to ensure for implementation? <input type="checkbox"/> <b>Q6:</b> Does the IA have the authority to make the operational changes required for successful project implementation? <input type="checkbox"/> <b>Q7:</b> Is the organizational culture of the IA conducive to change?
	Project management/expertise	<input type="checkbox"/> <b>Q8:</b> Is there a robust implementation strategy/plan covering risk management, budget, and schedule? <input type="checkbox"/> <b>Q9:</b> Has the use of bespoke solutions been sufficiently interrogated for value for money? <input type="checkbox"/> <b>Q10:</b> Does the IA and other related entities have a documented track record of implementing challenging projects in short time frames? <input type="checkbox"/> <b>Q11:</b> Does the IA have a database of projects with key data captured for review and analysis? <input type="checkbox"/> <b>Q12:</b> How is institutional knowledge about past and current projects stored and used by the IA? <input type="checkbox"/> <b>Q13:</b> Is there a wide project scope or challenging objectives that will only be achievable through external support? Is the development or use of a large number of specialist disciplines and skills required? Has the balance between insourcing and outsourcing resources been investigated?

Factor	Description of Factors	Guiding Questions
	Need for innovative/untested technologies	<input type="checkbox"/> Q14: Does the proposed project involve new or untested business practices or technologies? <input type="checkbox"/> Q15: Has the market been sufficiently investigated? <input type="checkbox"/> Q16: Has the IA flexibly responded to unexpected discipline and skill requirements? <input type="checkbox"/> Q17: Does the IA have the budget flexibility required to respond to unexpected requirements? <input type="checkbox"/> Q18: Does the IA have the organizational culture to adapt to changing requirements during implementation?



## Step 1(b) - Assessing Context against Standards

### Guiding Questions

Given the importance of the contextual assessment the questions provided below have been designed to aid the user gain a deeper understanding.

#### STABILITY OF THE ENVIRONMENT

If the environment is unstable (there is a high likelihood of change and low confidence in the IA's capacity to adapt to that change), then preparation activity to stabilize the environment or manage risk are required.

##### ASSESSMENT QUESTION 1:

- Are relevant leaders committed to the reform/development objectives?

##### ASSESSMENT LEVELS ON TYPICAL STANDARDS:

- **Level 1:** Ownership of the project is weak, and legislation has not been enacted or effectively approved through appropriate channels.
- **Level 2:** Adequate legal frameworks are in place and aligned with investment policies.
- **Level 3:** Legal frameworks and investment plans are clearly articulated in a regional/national development plan and a public monitoring mechanism is in place.

##### ASSESSMENT QUESTION 2:

- Has the necessary delegated management responsibility/autonomy been granted?

##### ASSESSMENT LEVELS ON TYPICAL STANDARDS:

- **Level 1:** There is no formal delegation of authority and/or the delegation is too limited to ensure smooth operations.
- **Level 2:** The IA has a leadership team appointed and stable with sufficient authority to ensure regular day-to-day operations are effective.
- **Level 3:** The IA leadership team makes strategic decisions and can adapt direction of the works to the needs for growth of the agency.

### ASSESSMENT QUESTION 3:

Is the current political, economic, and/or social environment conducive for project-led ID?

#### ASSESSMENT LEVELS ON TYPICAL STANDARDS:

- **Level 1:** There is evidence of high turnover in project leadership linked to new governmental appointments.
- **Level 2:** There is public disclosure and monitoring of public investments.
- **Level 3:** There is public disclosure and monitoring of public investments.

#### If commitment/stability is uncertain, what preparation activity or capacity development is required?

- Robust analysis of the potential impact of the political, economic, and/or social environment and scenario planning.
- A charter/memorandum of understanding between Government/project leaders, the IA(s), and key stakeholders.
- Allocation of contingencies to manage the political risk.
- Phased investment and/or delivery is recommended.
- A reform roadmap is needed to address governance challenges.
- Other:

## STAKEHOLDERS AND INFLUENCERS

A significant number of stakeholders with high levels of influence expose the development objective to risk from differing expectations.

### ASSESSMENT QUESTION 1:

Are there effective stakeholder engagement mechanisms?

#### ASSESSMENT LEVELS ON TYPICAL STANDARDS:

- **Level 1:** Key stakeholders have not been identified and actions can have negative impact/cause delay to actions or programs.
- **Level 2:** There is a clear identification of key stakeholders and an engagement plan in place. Differences in interests can be addressed; however, incentives are not aligned to support the development goals.
- **Level 3:** Influential stakeholders demonstrate open commitment and seek to constantly bring consensus with others to achieve results.

### ASSESSMENT QUESTION 2:

Is there common ground between the primary stakeholders and influencers regarding the development objectives?

#### ASSESSMENT LEVELS ON TYPICAL STANDARDS:

- **Level 1:** Engagements and communications are not initiated by the IA. There is no experience/authority in the IA in managing stakeholders' engagements.
- **Level 2:** There is a lack of experience in managing networks of stakeholders and no formal communication and engagement strategy has been defined. Actions are ad hoc and reactive.
- **Level 3:** There is an engagement and communication strategy supporting the development goals.

### If the impact of stakeholders is uncertain, what preparation activity or capacity development is required?

- Improve mechanisms for stakeholder engagement.
- Develop or improve mechanism for citizen engagement in potential project areas.
- Formal partnerships with key stakeholders are needed.
- Increase time/resource for pre-project activity (e.g., land acquisition).
- Other:

## STRATEGIC IMPORTANCE OF THE PROJECT

High expectations of the project outcomes require strong project sponsorship (government commitment and strategic level ownership of the business case). Ambitious projects much have clear accountability at a senior level.

### ASSESSMENT QUESTION 1:

- Does the IA have a good understanding of the strategic reasons for the reform?

### ASSESSMENT LEVELS ON TYPICAL STANDARDS:

- **Level 1:** The objectives of the reform are not linked to the IA's work program. There is a lack of trust /understanding of the reform agenda amongst the IA's leadership.
- **Level 2:** The reform is not integrated in the IA's work program. There is reluctance/significant delays in designing or implementing new policies or frameworks supporting the new strategy.
- **Level 3:** The IA is a key element driving and communicating the reform through formal and public mechanisms. The risks are regularly monitored and there is demonstration of mitigation plans in place and/or communicated.

### ASSESSMENT QUESTION 2:

- Are project leaders accountable for the delivery of project outcomes?

### ASSESSMENT LEVELS ON TYPICAL STANDARDS:

- **Level 1:** The objectives of the reform are not linked to the IA's work program. There is a lack of trust/understanding of the reform agenda amongst the IA's leadership.
- **Level 2:** Results of the team are monitored; however, there is no evidence of a formal engagement between the IA and authorities; outcomes/results are attributed to the project.
- **Level 3:** There are clear lines of accountability between the IA and rewards, and sanction mechanisms are in place to support the leadership and staff motivation to obtain results.

### ASSESSMENT QUESTION 3:

- Is the project critical to the delivery of policy and key strategic objectives?

### ASSESSMENT LEVELS ON TYPICAL STANDARDS:

- **Level 1:** The link between project outcomes and policy is limited.
- **Level 2:** Delays in policy implementation have minor impact on delivery of the works. Challenges are observed however addressed in a passive manner.
- **Level 3:** There is evidence that the implementation of the policy has an impact and that formal systems are in place to ensure effective delivery.

**If the strategic importance of the project is uncertain, what preparation activity or capacity development is required?**

- A review and update of legislation/policy for its ability to accommodate revision/ effective policy and legislative framework is required.
- An Institutional Development Study.
- A Governance and Accountability Action Plan (GAAP).
- Other:

## ALIGNMENT OF OBJECTIVES

Misaligned or poorly followed objectives reduce the likelihood of the project contributing to sustained development.

### ASSESSMENT QUESTION 1:

- Are the proposed project development objectives sufficiently aligned with national and state policy and strategies?**

### ASSESSMENT LEVELS ON TYPICAL STANDARDS:

- **Level 1:** The project is not aligned with national/sectoral strategy, and decision making is adversely impacted. There is a lack of resources to ensure sustainability of the project.
- **Level 2:** There is a reasonable alignment between the project's development objectives and national/regional strategy; however, there is a lack of articulated priorities that impacts, or delays decision making. Investments are de-linked from project objectives.
- **Level 3:** The objectives of the project are leveraged by the national/regional development plan the project outcomes influence the sector's planning and investment priorities.

### ASSESSMENT QUESTION 2:

- Have the institutional challenges been identified and agreed? Are there clear and jointly owned sector development targets (national, state, and/or local levels)? What activities on the critical path are not under the control of the primary IA? How would you describe the working relationships between the IA and other relevant entities?**

### ASSESSMENT LEVELS ON TYPICAL STANDARDS:

- **Level 1:** The implementation plan is isolated from other relevant government initiatives. There are duplication of efforts and resources within the sector/There is unclarity of ownership between different entities.
- **Level 2:** Relations between different initiatives are established; however, there are dysfunctional or contradictory approaches/policies that create adverse impact on the ability of the IA to operate effectively or efficiently. The various implementation plans are not aligned creating confusion or distraction of resources.
- **Level 3:** The interdependencies between government agencies and/or different IA are defined at a strategic level and resources are leveraged to the benefit of results for all programs. The roles and responsibilities of the different actors are clear and accepted, and relationships between the IAs are strengthening overall results and development goals.

### ASSESSMENT QUESTION 3:

- Is the development objective dependent on a significant amount of institutional development?**

## ASSESSMENT LEVELS ON TYPICAL STANDARDS

- **Level 1:** The IA is not operating at expected level of results. There are significant gaps between outcomes and resources. There is a lack of experienced leadership in managing the IA.
- **Level 2:** The IA is well managed and achieves most of its expected results. The implementation plan is updated and aligned with work practices in the sector/region/nation. Activities are regularly monitored and corrective measures are in place. Qualified and recognized leaders are in place in the IA.
- **Level 3:** The IA is a best demonstrated practice for the sector and beyond. Work practices, policies, and staffing models have been replicated to support other projects. Business processes and/or innovation have had positive impacts on results beyond the project, in the sector, and/or at the region/national level.

### If the alignment of the objectives is uncertain, what preparation activity or capacity development is required?

- Enhanced engagement and coordination with funders and other responsible agencies (clear lines of decision making, partnerships).
- The business model needs to be considered for its relevance to wider policies/strategies.
- Sector policy, institutional and legal framework development.
- Leverage joint working.
- Gather more information around the development needs.
- A review and update of legislation/policy to clarify roles and responsibilities of relevant entities in the sector.
- Other:

## FINANCIAL VIABILITY

If the proposed project is of significant value, the funding arrangements for the project are complex or the project is expected to deliver significant value for money, effort should be put into ensuring there is a robust business case.

### ASSESSMENT QUESTION 1:

- Can the development objectives be reasonably delivered under the proposed funding regime?

### ASSESSMENT LEVELS ON TYPICAL STANDARDS:

- **Level 1:** The project is underfunded, or resources have been misallocated. Counterpart's budget has been revised with an adverse impact on the project. Funding of the project requires significant revision of funding.
- **Level 2:** The IA is sufficiently funded to operate within budget requirements. Activities are well provided for, and there is a transparent budget in place. Budget control function is in place internally and externally.
- **Level 3:** The project activities are strategically funded through multiple sources that leverage each other. There are formal and public collaboration mechanisms in place providing transparent monitoring and control from the public.

### ASSESSMENT QUESTION 2:

- Does the IA have the independence, capacity and authority to manage the proposed funding regime?

### ASSESSMENT LEVELS ON TYPICAL STANDARDS:

- **Level 1:** The proposed budget is not aligned with project activities. The IA has limited control over budget and expenditures. Financial management skills need to be strengthened.

- **Level 2:** The IA has the means to be accountable for financial management. Complex financial management and budgeting skills and experience are available in the team. Highly fragmented institutional arrangements.
- **Level 3:** The strategic planning includes a long-term, multiyear budget aligned with regional/national plans. Streamlined planning and budgeting processes are in place. Business improvement processes are regularly implemented.

#### If the financial viability is uncertain, what preparation activity or capacity development is required?

- Data collection for investment decision making is needed.
- Financial modelling/planning.
- Plans in place to secure additional finance if required.
- Support for assurance of estimates and expenditure.
- Other:

## DEPENDENCIES

If the development objective is dependent on other initiatives or a significant amount of institutional development, then consideration should be given to how the proposed project can leverage joint-working with other projects.

### ASSESSMENT QUESTION 1:

- Is the development objective dependent on other initiatives for success?

### GUIDING QUESTIONS:

- What activities on the critical path are not under the control of the primary IA?
- Does planning sufficiently consider the timing of other initiatives?
- Is the development objective dependent on a significant amount of institutional development?
- Does the level of pre-project activity reflect the scale of the institutional development required?

### ASSESSMENT QUESTION 2:

- Is there a documented track record of successful joint projects?

### GUIDING QUESTIONS:

- Does the government track joint projects and have metrics for assessing progress?
- Are there successful projects that can be reviewed for lessons learned and best practices?
- Does the government have a system in place to learn and apply lessons from past joint projects?

### ASSESSMENT QUESTION 3:

- Are there political consequences for project success or project failure?

### GUIDING QUESTIONS:

- Are there clear political “winners” and “losers” related to project outcomes?
- Can implementation by the IA be separated from these political consequences?

### If dependencies exist, what preparation activity or capacity development is required?

- A sector-wide monitoring framework is required.
- Increased pre-project activity to plan ID.
- Joint-working with other projects.
- Develop a data based on past joint projects and to capture lessons learned
- Other:

## EXECUTION COMPLEXITY

Challenging objectives in short time frames should be investigated for the capacity of the IA to accept or implement the changes (i.e., sufficient time for institutional development).

### ASSESSMENT QUESTION 1:

- Is there a wide project scope or are there challenging objectives that will only be achievable through external support?

### GUIDING QUESTIONS:

- Is there a robust implementation strategy/plan covering risk management, budgets and schedules?
- Does the proposed project involve new or untested business practices or technologies?
- Is there evidence that a solution exists?
- Has the use of bespoke solutions been sufficiently interrogated for value for money?

### ASSESSMENT QUESTION 2:

- Do the IA and other related entities have a documented track record of implementing challenging projects in short time frames?

### GUIDING QUESTIONS:

- Does the IA have a database of projects with key data captured for review and analysis?
- How is institutional knowledge about past and current projects stored and used by the IA?

### If the implementation is complex, what preparation activity or capacity development is required?

- Enhanced project management capability (PMO) needs to be developed/acquired.
- Partnering for delivery should be considered (the use of partners where the time frame/appetite is insufficient for in-house development).
- Phased implementation, piloting, and/or significant training is required.
- Other:

## EXTENT OF CHANGE

The amount of transformational change required to support new ways of working (e.g., new delivery models) should be evaluated. If the magnitude of the change is significant, it will need to be managed as a transformational change program, thus providing progressive development through a series of tranches.

#### ASSESSMENT QUESTION 1:

Can the existing IA and other relevant entities realize the development objectives?

#### GUIDING QUESTIONS:

- Is a fundamental change to the IA (significant change in the way the primary delivery agency conducts its work) required in a short time frame?
- Has the solution been tried in other states, countries?
- Is there a representative organizational development/human resource strategy in place?

#### ASSESSMENT QUESTION 2

Are there specific reforms required for the IA and other relevant entities to successfully implement project-led ID?

#### GUIDING QUESTIONS:

- What reforms are required for implementing project-led ID?
- If the needed reforms are significant, does the IA have the capacity and will to follow through on these reforms?

#### ASSESSMENT QUESTION 3:

Does the IA have the flexibility to use new approaches that require changes in organizational and/or individual behaviors?

#### GUIDING QUESTIONS:

- Does the IA have the authority to make the operational changes required for successful project implementation?
- Is the organizational culture of the IA conducive to change?

**If there is transformational change needed, what preparation activity or capacity development is required?**

- Implementation of a transformational change program.
- Development of an Organizational Design and Development/Human Resource Strategy is required.
- Partnering for delivery should be considered.
- Increased pre-project activity to plan ID.
- Other:



## Step 1(c) - Maturity levels of various areas of Contextual Assessment

Key Areas	Level 1: Lagging	Level 2: Good Practice	Level 3: Exemplar
	There are significant organizational challenges. Practices, processes, and systems are outdated or immature.	Some elements of good practice are being utilized. Systems and processes are appropriate for the current requirement but may not be sustainable.	There is an outcome focus, and maximum value is achieved from the asset and external relationships.
<b>Socio-Political Environment</b>			
<input type="checkbox"/> Leadership commitment	<input type="checkbox"/> Ownership of the project is weak, and legislation has not been enacted or effectively approved through appropriate channels.	<input type="checkbox"/> Adequate legal frameworks are in place and aligned with investments policies	<input type="checkbox"/> Legal frameworks and investment plans are clearly articulated in a regional/national development plan, and a public monitoring mechanism is in place.
<input type="checkbox"/> Conducive political, economic, and/or social environment	<input type="checkbox"/> There is no investment plan, or it is disconnected to the project objectives	<input type="checkbox"/> Limited political interference and citizen consultations; economic environment is fluctuating	<input type="checkbox"/> There is no political interference on reform processes; there are regular citizen consultations
<input type="checkbox"/> Delegated authority	<input type="checkbox"/> There is evidence of high turnover in project leadership linked to new governmental appointments	<input type="checkbox"/> IA has a leadership team appointed and stable, with sufficient authority to ensure regular day-to-day operations are effective	<input type="checkbox"/> Stable and growing economic environment
<input type="checkbox"/> Stakeholder analysis	<input type="checkbox"/> There is no formal delegation of authority and/or the delegation is too limited to ensure smooth operations	<input type="checkbox"/> There is a clear identification of key stakeholders and an engagement plan in place. Differences in interests can be addressed; however incentives are not aligned to support the development goals	<input type="checkbox"/> The IA leadership team makes strategic decisions and can adapt direction of the works to the needs for growth of the agency
<input type="checkbox"/> Effective engagement mechanisms	<input type="checkbox"/> Key stakeholders have not been identified and actions can have a negative impact/cause delays to actions or programs. <input type="checkbox"/> Conflicts and difference of interests exist amongst stakeholders <input type="checkbox"/> Engagements and communications are not initiated by the IA. <input type="checkbox"/> There is no experience/ authority in the IA in managing stakeholders' engagements	<input type="checkbox"/> There is a lack of experience in managing networks of stakeholders, and no formal communication and engagement strategy has been defined. Actions are ad hoc and reactive	<input type="checkbox"/> Influential stakeholders demonstrate open commitment and seek to constantly bring consensus with others to achieve results. <input type="checkbox"/> There are clear incentives in place aligned with development goals, and formal resolution mechanisms exist to solve issues <input type="checkbox"/> There is an engagement and communication strategy supporting the development goals

*continued*

Key Areas	Level 1: Lagging	Level 2: Good Practice	Level 3: Exemplar
<b>Policy Instruments</b>			
<input type="checkbox"/> Reform rationale	<input type="checkbox"/> The objectives of the reform are not linked to the IA's work program. There is a lack of trust /understanding of the reform agenda amongst the IA's leadership	<input type="checkbox"/> The reform is not integrated in the IA's work program. There is reluctance/significant delays in designing or implementing new policies or frameworks supporting the new strategy	<input type="checkbox"/> The IA is a key element driving and communicating the reform through formal and public mechanisms. The risks are regularly monitored and there is demonstration of mitigation plans in place and/or communicated
<input type="checkbox"/> Link to policy delivery	<input type="checkbox"/> The link between project outcomes and policy is limited	<input type="checkbox"/> Delays in policy implementation have minor impact on delivery of the works. Challenges are observed, however are addressed in a passive manner	<input type="checkbox"/> There is evidence that the implementation of the policy has an impact and that formal systems are in place to ensure effective delivery
<input type="checkbox"/> Accountability of the project delivery	<input type="checkbox"/> There is a high turnover in leadership or inadequate level of appointment of the team and no consequences nor rewards system in place.	<input type="checkbox"/> Results of the team are monitored; however, there is no evidence of a formal engagement between the IA and authorities	<input type="checkbox"/> There are clear lines of accountability between the IA and rewards, and sanction mechanisms are in place to support the leadership and staff motivation to obtain results
<input type="checkbox"/> Interdependencies with other Government supported objectives	<input type="checkbox"/> The implementation plan is isolated from other relevant Government initiatives. <input type="checkbox"/> There are duplication of efforts and resources within the sector. <input type="checkbox"/> There is unclarity of ownership between different entities	<input type="checkbox"/> Relations between different initiatives are established; however, there are dysfunctional or contradictory approaches/policies and creative adverse impact on the ability of the IA to operate effectively or efficiently.  <input type="checkbox"/> The various implementation plans are not aligned creating confusion or distraction of resources	<input type="checkbox"/> The interdependencies between government agencies and/ or different IA are defined at a strategic level, and resources are leveraged to the benefit of results for all programs.
<input type="checkbox"/> Alignment with regional/national strategy	<input type="checkbox"/> The project is not aligned with national/sectoral strategy, and decision making is adversely impacted.  <input type="checkbox"/> There is a lack of resources to ensure sustainability of the project	<input type="checkbox"/> There is a reasonable alignment between the project's development objectives and national/ regional strategy; however, there is a lack of articulated priorities that impacts or delays decision making. Investments are de-linked from project objectives	<input type="checkbox"/> The roles and responsibilities of the different actors are clear and accepted, and relationships between the IAs are strengthening overall results and development goals
<input type="checkbox"/> Performance of the agency	<input type="checkbox"/> The IA is not operating at expected level of results. <input type="checkbox"/> There are significant gaps between outcomes and resources. <input type="checkbox"/> There is a lack of experienced leadership in managing the IA	<input type="checkbox"/> The IA is well managed and achieves the majority of the expected results. <input type="checkbox"/> The implementation plan is updated and aligned with work practices in the sector/region/ nation. <input type="checkbox"/> Activities are regularly monitored and corrective measures are in place. <input type="checkbox"/> Qualified and recognized leaders are in place in the IA	<input type="checkbox"/> The objectives of the project are leveraged by the national/ regional development plan.

Key Areas	Level 1: Lagging	Level 2: Good Practice	Level 3: Exemplar
<input type="checkbox"/> Availability and sources of funding	<input type="checkbox"/> The project is underfunded, or resources have been misallocated. <input type="checkbox"/> Counterpart's budget has been revised with an adverse impact on the project. <input type="checkbox"/> Funding of the project requires significant revision of funding	<input type="checkbox"/> The IA is sufficiently funded to operate within budget requirements. Activities are well provided for, and there is a transparent budget in place. <input type="checkbox"/> Budget control function is in place internally and externally	<input type="checkbox"/> The project outcomes influence the sector's planning and investment priorities
<input type="checkbox"/> Budget management	<input type="checkbox"/> The proposed budget is not aligned with project activities. <input type="checkbox"/> The IA has limited control over budgets and expenditures. <input type="checkbox"/> Financial management skills need to be strengthened	<input type="checkbox"/> The IA has the means to be accountable for financial management. <input type="checkbox"/> Complex financial management and budgeting skills and experience are available in the team. <input type="checkbox"/> Highly fragmented institutional arrangements	<input type="checkbox"/> The project activities are strategically funded through multiple sources that leverage each other. <input type="checkbox"/> There are formal and public collaboration mechanisms in place providing transparent monitoring and control from the public
<b>Organizational Arrangements</b>			
<input type="checkbox"/> Extent of change	<input type="checkbox"/> Reactive behavior to change; undefined leadership roles for driving the change; lack of service orientation; lack of incentives to perform. <input type="checkbox"/> There is no evidence/track record of effective reforms. There are limited staff allocated to research and innovation. Change has created high turnover	<input type="checkbox"/> There is evidence of a reasonable appetite for change in the IA. Change had no or limited impact on staff turnover. Change had a recognized positive impact on service delivery. There is a public support from leadership for change	<input type="checkbox"/> The strategic planning includes a long-term, multiyear's budget aligned with regional/national plans. <input type="checkbox"/> Streamlined planning and budgeting processes are in place. <input type="checkbox"/> Business improvement processes are regularly implemented <input type="checkbox"/> Changes and innovation are anticipated and planned for. There is a positive track record of innovation implementation. Change has created recognized opportunities for the IA. Leadership is acknowledged as a champion for change
<input type="checkbox"/> Project management/expertise	<input type="checkbox"/> There are no information systems in place. Project management is outsourced. There is no clear accountability for project management. Archiving system is outdated and not up to date	<input type="checkbox"/> Systems are in place, however do not operate effectively. The delivery unit is understaffed or under qualified. Project management teams are formed, however, in an ad hoc manner/ as needed basis	<input type="checkbox"/> Strong systems are in place to plan, implement, and monitor projects. There is a strong and capable delivery unit in place, leading multiple complex projects in a programmatic manner. Information systems are connected, and best practices constantly reviewed and integrated in new projects
<input type="checkbox"/> Need for innovative/ untested technology	<input type="checkbox"/> Lack of use of innovative technology. Weak implementation of current business practices. No budget allocation to innovation and technology	<input type="checkbox"/> Slow and/or ad hoc implementation of new technology. Staff has limited access to innovation. Rigid budget and decision-making processes supporting innovation	<input type="checkbox"/> New technologies are easily embedded in current business practices with positive impacts on service delivery. Best practices are regularly analyzed. Staff have allocated time for research and innovation activities. Fungible business practices



## Step 2 (a): Institutional Capability Assessment

TABLE 4: FACTORS OF CAPABILITY ASSESSMENT AND GUIDING QUESTIONS

	Factor	Description of Factors	Guiding Questions
Policy Instruments	<b>PROJECT GOVERNANCE ARRANGEMENTS</b>		
	<p>Effective project governance aligns projects to the overall organizational/development goals, ensures that the project fulfils its purpose and is effective, efficient and transparent</p> <p>Good project governance clearly sets out decision-making responsibilities against an agreed statement of objectives providing the project team the autonomy to deliver.</p>	<p><b>Objective statement:</b> The Government has a clear vision for its development objectives</p> <hr/> <p><b>Formal framework:</b> The project/ implementing agency has a formal governance framework that sets out decision making and delegation of authority for project preparation and implementation</p> <hr/> <p><b>M&amp;E framework:</b> There is a robust monitoring and evaluation system</p>	<p><input type="checkbox"/> <b>Q1.</b> Does the government have a clear vision?</p> <p><input type="checkbox"/> <b>Q2.</b> Does the legal framework support development objectives?</p> <p><input type="checkbox"/> <b>Q3.</b> Do governance arrangements support the project's development objectives?</p> <hr/> <p><input type="checkbox"/> <b>Q4.</b> Are the current governance arrangements/framework effective? (system for delegation, process for decision-making/ change control)?</p> <hr/> <p><input type="checkbox"/> <b>Q5.</b> Are there systems in place for data collection? Do reporting and accountability mechanisms need to be revised?</p> <p><input type="checkbox"/> <b>Q6.</b> Is there coordinated assurance?</p>
Organisational Arrangements	<b>HUMAN RESOURCES</b>		
	<p>Strategic human resources (HR) management are aligned to the overall project objectives and subsequent development goals. It supports professional, effective, and transparent management practices that will enforce accountability and commitment of leaders to change</p> <p>Good HR policies and practices create positive work ethics and help management attract, develop, and motivate staff to achieve results and deliver qualitative services to the public</p>	<p><b>Staffing:</b> The project is adequately staffed (quantity and quality)</p> <hr/> <p><b>Policies:</b> The project/implementing agency has a set of procedures, policies, and practices that supports results and recognition of results. Staffing decisions are made based on objective and transparent criteria</p> <hr/> <p><b>Training:</b> There is a competency-based training plan in place. It is adequately budgeted and funded, regularly monitored, and updated</p>	<p><input type="checkbox"/> <b>Q1:</b> Is there a staffing/recruitment policy based on competency and business needs in place?</p> <p><input type="checkbox"/> <b>Q2:</b> Are staffing processes transparent?</p> <hr/> <p><input type="checkbox"/> <b>Q3:</b> Are procedures and policies communicated and applied in a consistent manner?</p> <p><input type="checkbox"/> <b>Q4:</b> How is this tracked and recorded?</p> <p><input type="checkbox"/> <b>Q5:</b> Is management accountable for good HR decisions and strategies?</p> <hr/> <p><input type="checkbox"/> <b>Q6:</b> Is the training plan/policy communicated to staff individually?</p> <p><input type="checkbox"/> <b>Q7:</b> Are staff competencies measured as an outcome of the training plan?</p>

Factor	Description of Factors	Guiding Questions
<b>ENVIRONMENTAL AND SOCIAL SAFEGUARDS</b>		
<p>Environment and social assessments conducted will help identify gaps in policies and procedures to determine related risks and impacts</p>	<p><b>Procedures and processes:</b> The implementing agency has a set of procedures, policies, and framework in place that supports land acquisition, resettlements, etc.</p>	<ul style="list-style-type: none"> <li><input type="checkbox"/> <b>Q1:</b> "Are there robust procedures for land acquisition, social safeguards?"</li> <li><input type="checkbox"/> <b>Q2:</b> Is there a comprehensive operations manual that is regularly updated?</li> <li><input type="checkbox"/> <b>Q3:</b> Are there robust procedures and framework for environmental safeguards?</li> </ul>
	<p><b>Labor:</b> The IA fully understands labor laws and implements them transparently</p>	<ul style="list-style-type: none"> <li><input type="checkbox"/> <b>Q4:</b> Are labor laws implemented in a transparent and fairly?</li> <li><input type="checkbox"/> <b>Q5:</b> Are employment processes (contracts etc..) in the communities where roads are being built inclusive of community members?</li> <li><input type="checkbox"/> <b>Q6:</b> In the event of labor influx to a construction site how does the IA engage with the community?</li> </ul>
	<p><b>Road safety:</b> The IA has adequate resources (human and financial) to address road safety reporting issues as well as manage traffic enforcement</p>	<ul style="list-style-type: none"> <li><input type="checkbox"/> <b>Q7:</b> Are there sufficient resources (human and financial) to manage roads safety reporting?</li> <li><input type="checkbox"/> <b>Q8:</b> Is there a process to report safety issues? Is it effective?</li> <li><input type="checkbox"/> <b>Q9:</b> Have line management arrangements considered any improvements?</li> </ul>
<b>ASSET MANAGEMENT APPROACH</b>		
<p>Asset management is the provision and maintenance of services to customers. Good asset management utilizes a system of assets to achieve an outcome</p> <p>This is founded on a robust, formalized approach to asset management that includes outcome performance measurement linked to customer expectations. Good asset management practice is evidenced by informed planning for capital delivery, network, improvement and maintenance operations</p>	<p><b>Life cycle planning:</b> There is a 'whole life' approach to asset management</p>	<ul style="list-style-type: none"> <li><input type="checkbox"/> <b>Q10:</b> Are new approaches to lifecycle planning, programmed maintenance and environmental management required?</li> <li><input type="checkbox"/> <b>Q11:</b> Is there outcome performance monitoring?</li> <li><input type="checkbox"/> <b>Q12:</b> Is customer engagement, asset condition surveys, asset performance monitoring required?</li> </ul>
	<p><b>Quality of information:</b> There is good quality asset information to support decision making</p>	<ul style="list-style-type: none"> <li><input type="checkbox"/> <b>Q13:</b> Does the IA have the information to challenge specialist requirements? Are the required information management systems established?</li> <li><input type="checkbox"/> <b>Q14:</b> Is the IA focused on policy translation and risk-based prioritization? Is outcome performance monitoring linked to customer expectations?</li> </ul>
	<p><b>Network planning:</b> There is adequate planning for network improvement and maintenance operations</p>	<ul style="list-style-type: none"> <li><input type="checkbox"/> <b>Q15:</b> Is there an operational readiness plan?</li> <li><input type="checkbox"/> <b>Q16:</b> Are there funds to sustain operating costs?</li> </ul>

	Factor	Description of Factors	Guiding Questions
Organisational Arrangements	<b>BUSINESS PRACTICES AND IMPLEMENTATION PROCEDURES</b>		
	Application of modern industry/business practices is critical to sustainable development	<p><b>Fiduciary capabilities (FM and procurement):</b> The implementing agency has strong project delivery capability</p>	<ul style="list-style-type: none"> <li><input type="checkbox"/> <b>Q1:</b> Does the IA have the capability to plan and supervise/coordinate activities (financial management, procurement capability)?</li> <li><input type="checkbox"/> <b>Q2:</b> Have project management and risk management arrangements been considered?</li> <li><input type="checkbox"/> <b>Q3:</b> Is there a defined set of activities accompanied by a budget, timeline, and assigned personnel?</li> <li><input type="checkbox"/> <b>Q4:</b> Has the distribution of in-house/external resources been considered?</li> </ul>
		<p><b>Key functions and systems:</b> They support the development goal and have been identified and resourced. The implementing agency has strong Implementation procedures</p>	<ul style="list-style-type: none"> <li><input type="checkbox"/> <b>Q5:</b> Are there adequate systems and procedures for: procurement, financial management, contract management, road safety management, environmental and social safeguards?</li> <li><input type="checkbox"/> <b>Q6:</b> Are there existing solutions that could be leveraged? Have line management arrangements for implementation been considered? Is there a comprehensive operations manual that is regularly updated?</li> </ul>
	<p><b>Market understanding:</b> The market related to the achievement of the development objectives is well understood</p>	<ul style="list-style-type: none"> <li><input type="checkbox"/> <b>Q7:</b> How will supplier quality be ensured?</li> <li><input type="checkbox"/> <b>Q8:</b> Have appropriate measurement, metrics, and targets been established?</li> <li><input type="checkbox"/> <b>Q9:</b> Is there a plan for achieving increased value from the competition process?</li> <li><input type="checkbox"/> <b>Q10:</b> Is there a well-defined packaging strategy? How will the market be incentivized?</li> </ul>	



## Step 2 (b): Maturity level of Capability Assessment

Key Areas	Level 1: Lagging	Level 2: Good Practice	Level 3: Exemplar
	There are significant organizational challenges. Practices, processes, and systems are outdated or immature.	Some elements of good practice are being utilized. Systems and processes are appropriate for the current requirement but may not be sustainable.	There is an outcome focus, and maximum value is achieved from the asset and external relationships.
<b>Project governance arrangements</b>			
<input type="checkbox"/> Objectives statement	<input type="checkbox"/> Ownership of the asset is fragmented, and development is subject to conflicting priorities	<input type="checkbox"/> The project/IA has a clear statement of the objectives from project leaders	<input type="checkbox"/> Governance arrangements provide clear accountability to sponsoring organization
<input type="checkbox"/> Formal framework	<input type="checkbox"/> Unclear/ineffective governance arrangements	<input type="checkbox"/> The project/ IA has a formal governance framework that sets out decision making and delegation of authority	<input type="checkbox"/> Maximum value is achieved from external relationships
<input type="checkbox"/> M&E framework	<input type="checkbox"/> A lack of devolved responsibility and diffuse accountability	<input type="checkbox"/> There is a robust monitoring and evaluation system	<input type="checkbox"/> Establishes appropriate targets for success
<b>Human resources</b>			
<input type="checkbox"/> Staffing	<input type="checkbox"/> Weak/no link between recruitments and business needs	<input type="checkbox"/> Established link between recruitment and business needs but weak/no transparency in the process.	<input type="checkbox"/> There is a clear organizational chart with job descriptions and all recruitments are based on business needs
<input type="checkbox"/> Policies	<input type="checkbox"/> Weak implementation of staffing policies and no accountability in HR decisions and strategies	<input type="checkbox"/> Staffing policies are implemented but management lacks accountability on HR decisions and strategies	<input type="checkbox"/> Full transparency in the implementation policies and procedures and management is accountable to HR decisions
<input type="checkbox"/> Training	<input type="checkbox"/> Ad hoc/no training plan for staff	<input type="checkbox"/> Training plans exist but implementation is weak due to inadequate funding	<input type="checkbox"/> Training plans are fully funded and monitored/full transparency in the implementation of training plans
<b>Environmental and social safeguards</b>			
<input type="checkbox"/> Procedures and processes	<input type="checkbox"/> Weak to no implementation of social and environmental safeguards policies and procedures	<input type="checkbox"/> Social and environmental policies are in place and being implemented, but processes are cumbersome and inefficient	<input type="checkbox"/> Implementation of social and environmental policies and procedures are fully transparent, and there is a sound accountability to users
<input type="checkbox"/> Labor	<input type="checkbox"/> Weak implementation of labor laws and lack of inclusion of local communities	<input type="checkbox"/> Labor laws implementation processes are in place, and local inclusion processes are weak	<input type="checkbox"/> Implementation of labor laws are advanced and fully transparent to contractors and community members
<input type="checkbox"/> Road safety	<input type="checkbox"/> Weak to fragmented arrangement on road safety and traffic reporting	<input type="checkbox"/> Institutional arrangements are in place but inefficiency in implementation exists	<input type="checkbox"/> Institutional arrangements and internal processes function optimally to improve road safety reporting and traffic enforcement

Key Areas	Level 1: Lagging	Level 2: Good Practice	Level 3: Exemplar
<b>Asset management approach</b>			
<input type="checkbox"/> Life cycle planning	<input type="checkbox"/> Poor decision making undermines asset management	<input type="checkbox"/> There is good quality asset information to support decision making	<input type="checkbox"/> Asset management approach leads to overall value for money and efficient service delivery
<input type="checkbox"/> Quality of information	<input type="checkbox"/> Limited application of modern planning for network improvement and maintenance operations	<input type="checkbox"/> There is good quality analysis of asset information	<input type="checkbox"/> There is an understanding of and application of whole life cost and environment management principles.
<input type="checkbox"/> Network planning	<input type="checkbox"/> No appropriate asset information	<input type="checkbox"/> There is adequate planning for network improvement and maintenance operations	<input type="checkbox"/> Intelligent use of data.
<b>Business practices and implementation procedures</b>			
<input type="checkbox"/> Fiduciary capabilities	<input type="checkbox"/> Processes, systems, and technology do not support effective asset management or delivery	<input type="checkbox"/> The IA has strong asset management and project delivery capability <input type="checkbox"/> Key functions to support the development objectives have been identified and resourced <input type="checkbox"/> The IA has strong Implementation procedures	<input type="checkbox"/> Application of modern industry/ business practices.
<input type="checkbox"/> Key functions and systems	<input type="checkbox"/> Absence of the required specializations and high staff turnover <input type="checkbox"/> Fractured and non-transparent procurement processes; weak supplier selection, contract award, and management; outdated management and engineering practices <input type="checkbox"/> Processes and systems do not support effective asset management and/or service delivery	<input type="checkbox"/> The core processes and systems meet current and future asset management and project delivery needs	<input type="checkbox"/> Effectively balances in-house and external resources.
<input type="checkbox"/> Market understanding	<input type="checkbox"/> Limited understanding of actual market capacity, capability or appetite <input type="checkbox"/> No investment in staff development	<input type="checkbox"/> The market related to the achievement of the development objective is well understood <input type="checkbox"/> The IA is committed to continuous staff improvement and sustained development	<input type="checkbox"/> Leverages international suppliers for continuous improvement



## Step 3: Design of ID activity

### Activity Planning Log

Project Preparation Activity	Agreed Activity			Status
	What	Who	When	
<b>Agreed Development Areas (scope of ID)</b>				



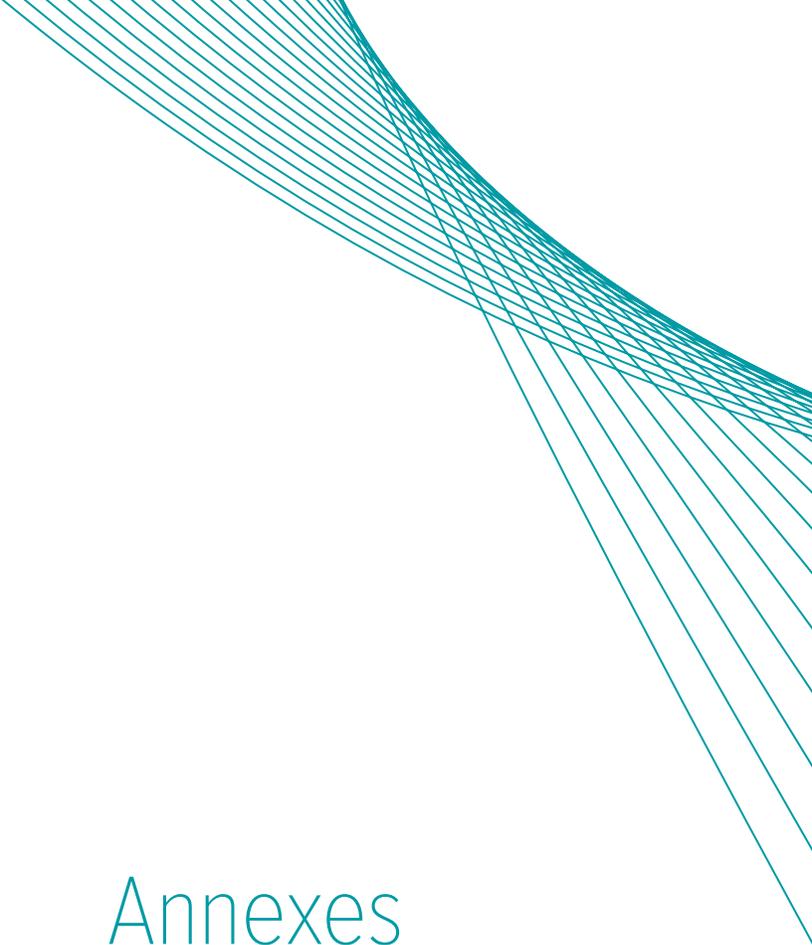
## Step 4: Implementation, Monitoring and Evaluation

### IDRt Scoring Tool Card

Contextual Assessment			
		Self-assessment	Expert
<b>Socio-Political Environment</b>			
Stability of the environment	Leadership commitment		
	Conducive political, economic, and/or social environment		
	Delegated authority		
Stakeholders and influencers	Stakeholder analysis		
	Effective engagement mechanisms		
<b>Policy Instruments</b>			
Strategic importance of the project	Reform rationale		
	Link to policy delivery		
	Accountability of the project delivery		
Alignment of objectives	Interdependencies with other Government supported objectives		
	Alignment with regional/national strategy		
	Performance of the agency		
Financial viability	Availability and sources of funding		
	Budget management		
<b>Organizational Arrangements</b>			
Execution complexity	Extent of change		
	Project management/expertise		
	Need for innovative/untested technology		

Capability Assessment			
		Self-assessment	Expert
<b>Governance arrangements</b>	Objective statement		
	Formal framework		
	M&E		
<b>Human resources</b>	Adequate staffing		
	Aligned policies		
	Training plan		
<b>Institutional framework</b>	Asset management policy		
	Asset management strategy		
	Financing methods		
<b>Asset management approach</b>	Lifecycle planning		
	Quality information		
	Network planning		
<b>Business practice and implementation procedure</b>	Delivery capabilities		
	Key functions		
	Procedures/core processes and systems		





# Annexes

# Annex A:

## Preparation for the Road Agency (RA) institutional and functional review:

### Questions, information needs and preliminary actions to be taken

#### 1. CONDUCTIVENESS OF SOCIOPOLITICAL ENVIRONMENT

- 1.1. Why was the RA formed; what was the motivation behind it; has the intended outcome been achieved and, if yes, to what extent?
- 1.2. How consistent are RA's vision; objective; strategy; policy and legislative framework with the government priorities? If Yes/Not:
  - 1.2.1. List the linkages between RA and the government priorities.
  - 1.2.2. List the disconnect between RA and Government's priorities and how you intend to achieve the same outcomes.
- 1.3. Is there a founding legislation of RA? If yes:
  - 1.3.1. What does it say with respect to its mandate, delegations, funding and governance structure?
  - 1.3.2. Provide a copy and or a link.
- 1.4. Is the current political, economic, and/or social environment conducive for RA's objectives?  
If not:
  - 1.4.1. Are there contingencies/plan to manage the risk?
- 1.5. Are relevant leaders committed to the reform/objectives?
  - 1.5.1. What are the steps/plans that show the ownership and commitment?
- 1.6. Is there a robust implementation strategy/plan covering risk management, budget and schedule?
- 1.7. Is there an engagement/partnership with the stakeholders?
  - 1.7.1. What is the relationship with the Local Government Authorities? How often RA meets with them?
  - 1.7.2. What is the relationship/partnership with the Ministries of Transport, Finance, Forest, Health, Education, Police Department, other?
  - 1.7.3. Is there a clear distinction (legislated) between the roles of RA and other stakeholders such as the LGAs, Transport, Finance, Forest, Health, Education, Police, other? If there's a document establishing this distinction, please share a copy/link.
  - 1.7.4. Is there some form of engagement with Non-Governmental Organizations, Community Based Organizations, etc..?
- 1.8. What is the differentiated treatment between urban and rural matters and how is that reflected in the organizational structure, functions, approaches, etc?

#### 2. GOVERNANCE/ORGANIZATIONAL ARRANGEMENTS

- 2.1. Does RA have an annual business plan? If yes:

- 2.1.1. Are annual objectives clearly established?
- 2.1.2. Performance indicators for the agency? Are this by units and/or personnel? If yes:
- 2.1.3. Does it include definitions, methodology for data collection, target values and guidance on measures to take if targets are met/not met.
- 2.1.4. Does it have indicators of progress?
- 2.1.5. Does RA have a system (informal or formal) to periodically report the progress of its work against the objectives?
- 2.1.6. Does it include activities with budget, timeline and responsible personnel or unit? What is the constraints, gaps to perform successfully?
- 2.1.7. Does it differentiate between rural and urban?

### **3. FINANCIAL VIABILITY AND PROBITY**

- 3.1. Does RA have the funds to sustain its operating costs?
- 3.2. Does RA issue annual income and expenditure reports?
- 3.3. Are RA's funds allocated transparently, efficiently and strategically?
  - 3.3.1. Are there publications and reports where funds allocations are published?
- 3.4. How the maintenance and development of roads subordinated to RA organized administratively and financially and are there written regulations for these processes?

### **4. HR INFORMATION**

- 4.1. Number and titles of positions (total and filled by units, offices, etc.); differentiating those from HQ, regional offices and district offices
- 4.2. Functional responsibilities for all positions;
- 4.3. Number of people in each position. Please include the personnel available at HQ, Regional and District level on key roles such as Road Safety Specialists, Communications Officers, Gender Specialists, Environmental and Social Safeguards, Procurement and FM Units. Does RA have HR management system in place: policy/manual/guidelines in place? If yes, please provide copies and or link.
- 4.4. What are the challenges, constraints, gaps?
  - 4.3.1. Salary and other cash and in-kind payments structure by position/location;
  - 4.3.2. HR plans and projections, if any;
  - 4.3.3. Performance evaluation rules and arrangements;
  - 4.3.4. Salary evaluation rules.
  - 4.3.5. Staff development programs (trainings, capacity building, etc.)
  - 4.3.6. Turnover rate

### **5. ICT AND DATA MANAGEMENT:**

- 5.1. Number of computers that belong to RA. Working condition and capability to access internet

5.2. Internet accessibility in all RA offices and personnel locations.

5.3. Any information on computer literacy of the staff, if any. For example: excel, GIS platforms, etc.

## **6. COMMUNICATION STRATEGY:**

6.1. Does RA have a communications strategy? If yes, please provide a copy and /or link. Is there a differentiation between the treatment of urban vs. rural?

6.2. What are the current communication goals and objectives?

6.3. How many people are in communications function? What are their duties and responsibilities?

6.4. Is there an annual communications budget?

6.5. Has RA done a communications audit?

## **7. PROCUREMENT AND CONTRACT MANAGEMENT.**

### **7.1. What is the annual budget of RA? Please share numbers for HQ, Regional and District Offices**

7.2. What is the volume of procurement of TARURA? Likewise, share information from HQ, Regional and District Offices.

7.3. Share the average number of contracts that HQ, Regional and District offices process annually

7.4. Does RA have Contract Supervision or Contract Management manual/guideline?

7.4.1. If yes, please share a copy with us.

7.4.2. If no? If Yes, what is the plan?

7.5. Do you have enough working and documents storage space for the Project Implementation Unit/Project Management Unit (PIU/PMU) and Delegated PMU?

7.5.1. If not, what are the challenges? How are you intending to overcome these challenges?

7.6. Contract Management – what are the challenges RA is facing in terms of

7.6.1. Resources: quality checking instruments/tools, supervision vehicles, laboratories etc) and human capacity (number of engineers/technicians, knowledge of contract management, etc).

7.6.2. What are the plans to overcome these challenges?

7.7. Does RA has a Tender Board in HQ, and Regional? If yes, please provide their name, position, Degree, Years of Experience and experience with donor financed projects.

7.8. Provide name, position, Degree, Years of Experience and experience with donor financed projects of Procurement Management Units and Internal Audit Units, Technical Departments, in HQ, Regional and District level.

7.9. How many complains, RA received per year (or last year).

7.9.1. How many of there have been referred to the Public Procurement Appeal Authority?

7.9.2. What are the source of those complains? [type of contracts]

## **8. FINANCIAL MANAGEMENT:**

8.1. Does RA have a Financial, budget, accounting strategy/policy/guidelines etc?

8.1.1. If yes, is it consistent with National legislative framework? Please share a copy and/or link

8.1.2. If not, what are the gaps and what is RA's plan for consistency?

8.2. What are RA's sources of revenue?

8.2.1. Please state funding institution, amount and if earmarked.

What is RA revenue growth strategy?

8.3. Describe the budgeting process. Share any documentation relevant to this.

8.4. What are the Financial Management/Accounting systems used?

8.5. How's the Internal Audit Committee composed and what are its functions and structure?

8.6. Staffing and reporting lines of the Finance and Internal Audit units including levels, experience and qualifications (both professional and academic)

## 9. ENVIRONMENT AND SOCIAL

9.1. Does RA have an Environmental and Social Policy? If yes, please share a copy

9.2. Does RA have an Occupational, Health and Safety policy? If yes, please share a copy

9.3. Number of Environmental and Social specialists in RA (HQ, Regional and District Offices)

9.3.1. Do they have the required experience and expertise? Are they sociologists or anthropologists for example?  
[The WB team will follow up with tables to fill]

9.4. Current projects supervised (HQ, Regional and District Offices)

9.5. How are the environmental and social risks and impacts monitored?

9.5.1. How are the results of monitoring and supervision reviewed and taken into account?

9.6. Grievance Redress Mechanism, share a copy please

9.6.1. To what extent there is an understanding and appreciation of RA of the need to engage in meaningful dialog with stakeholders on an informed and on-going basis?

# Annex B:

## Contextual Assessment for the Identification of Pre-Project Activity

Understanding the Context		Assessing the Context		Required Pre-project Activity	Planning			Monitoring
Review the contextual factors and why increased pre-project activity may be required to manage strategic risk to the development goal.		Asses the context by answering the contextual considerations related to each of the factors. Where challenges to the achivement of the development goal raised and identify the potential cause of the challenge.		What pre-project activity is required to support the development goal?	Describe how the pre-project activity will be conducted. Note: it is not expected that all challenges can be addressed through pre-project activity. Focus should be on managing risk where possible.			How will you know when project preparation is sufficient?
Factor		Contextual Considerations	Y/N	Suggested Actions	Agreed Actions	Who	When	Activity Status
Socio-Political Environment	<b>Stability of the Environment</b> If the delivery environment is unstable (there is a high likelihood of change and low confidence in th Implementing Agency's capacity to adapt to that change) then pre-project activity to stabilise the environment or manage risk are required.	<b>Are relevant leaders are committed to the reform/ development goal?</b> <b>Supplementary Considerations:</b> <ul style="list-style-type: none"> <li>Is there evidence of bureaucratic support for the development goal (required legislations, expressed public support)?</li> <li>Is commitment reflected in investment priorities?</li> <li>Is support protected against political change?</li> </ul>		<input type="checkbox"/> Support from an established regulatory agency is required meet the development goal. <input type="checkbox"/> A Charter/ memorandum of understanding between Government/ Project Leaders, the Implementing Agency(s) and key stakeholders is needed. <input type="checkbox"/> Other:				
		<b>Has there been robust analysis of the potential impact of the external (socio-political) environment?</b> <b>Supplementary Considerations:</b> <ul style="list-style-type: none"> <li>Have appropriate risk management been conducted?</li> </ul>		<input type="checkbox"/> Scenario Planning needs to be conducted. <input type="checkbox"/> Contingencies should be allocated. <input type="checkbox"/> Phased investment and/or delivery is recommended. <input type="checkbox"/> Other:				
		<b>Has the necessary delegated management responsibility/ autonomy has been granted.</b> <b>Supplementary Considerations:</b> <ul style="list-style-type: none"> <li>Does the Implementing Agency have ownership over its policies, strategic and structure?</li> </ul>		<input type="checkbox"/> Formal delegated authority is required (e.g. Project Development Agreement). <input type="checkbox"/> Other:				

Understanding the Context		Assessing the Context		Required Pre-project Activity	Planning			Monitoring
Review the contextual factors and why increased pre-project activity may be required to manage strategic risk to the development goal.		Asses the context by answering the contextual considerations related to each of the factors. Where challenges to the achivement of the development goal raised and identify the potential cause of the challenge.		What pre-project activity is required to support the development goal?	Describe how the pre-project activity will be conducted. Note: it is not expected that all challenges can be addressed through pre-project activity. Focus should be on managing risk where possible.			How will you know when project preparation is sufficient?
Factor		Contextual Considerations	Y/N	Suggested Actions	Agreed Actions	Who	When	Activity Status
Socio-Political Environment	<b>Stakeholders and Influencers</b> A significant number of stakeholders with high levels of influence expose the development goal to risk from differring expectations.	<b>Are there effective engagement mechanisms?</b> <b>Supplementary Considerations:</b> <ul style="list-style-type: none"> <li>Are there regular, formal engagement and reporting channels?</li> <li>Does the Implementing Agency have experience working with the project stakeholders and/or in the targeted communities?</li> <li>Are stakeholders likely to change?</li> </ul>		<input type="checkbox"/> Mechanisms for stakeholder engagement need improvement. <input type="checkbox"/> Increased time/resource for pre-project activity (e.g. land acquisition) is required. <input type="checkbox"/> Formal partnerships with key stakeholders are needed. <input type="checkbox"/> Other:				
		<b>Is the process for defining and achieving the development goal clearly communicated and transparent?</b> <b>Supplementary Considerations:</b> <ul style="list-style-type: none"> <li>Is data used to support decision-making and lead stakeholders?</li> <li>Is relevant information shared appropriately?</li> </ul>		<input type="checkbox"/> Policy instruments should be reviewed. <input type="checkbox"/> Mechanisms for stakeholder communication are required. <input type="checkbox"/> Other:				

Understanding the Context		Assessing the Context		Required Pre-project Activity	Planning			Monitoring
Review the contextual factors and why increased pre-project activity may be required to manage strategic risk to the development goal.		Asses the context by answering the contextual considerations related to each of the factors. Where challenges to the achievement of the development goal raised and identify the potential cause of the challenge.		What pre-project activity is required to support the development goal?	Describe how the pre-project activity will be conducted. Note: it is not expected that all challenges can be addressed through pre-project activity. Focus should be on managing risk where possible.			How will you know when project preparation is sufficient?
Factor		Contextual Considerations	Y/N	Suggested Actions	Agreed Actions	Who	When	Activity Status
Policy Instruments	<b>Strategic Importance of the Project</b>  High expectations of the project outcomes require strong project sponsorship (government commitment and strategic level ownership of the business case). Ambitious projects much have clear accountability at a senior level.	<b>Is the project critical to the delivery of policy and key strategic objectives?</b> <b>Supplementary Considerations:</b> <ul style="list-style-type: none"> <li>Have challenges to delivery have been identified at the system level (policy, legal and regulatory)?</li> <li>What relevant official decisions have been made (public record)?</li> </ul>		<input type="checkbox"/> A review and update of legislation/policy for its ability to accommodate revision is needed. <input type="checkbox"/> An effective policy and legislative framework is required. <input type="checkbox"/> An Institutional Development Study should be completed. <input type="checkbox"/> Other:				
		<b>Are project leaders accountable for the delivery of project outcomes?</b> <b>Supplementary Considerations:</b> <ul style="list-style-type: none"> <li>Is there evidence of agreed, realistic project outcomes and representative targets?</li> </ul>		<input type="checkbox"/> A Governance and Accountability Action Plan (GAAP) is needed. <input type="checkbox"/> Other:				
		<b>Does the Implementing Agency does have a good understanding of the strategic reasons for the reform?</b> <b>Supplementary Considerations:</b> <ul style="list-style-type: none"> <li>Has the risk of the introduction of new policy/strategy been investigated?</li> </ul>		<input type="checkbox"/> Assitance with policy translation/strategy development is critical. <input type="checkbox"/> Other:				

Understanding the Context		Assessing the Context		Required Pre-project Activity	Planning			Monitoring
Review the contextual factors and why increased pre-project activity may be required to manage strategic risk to the development goal.		Assesses the context by answering the contextual considerations related to each of the factors. Where challenges to the achievement of the development goal raised and identify the potential cause of the challenge.		What pre-project activity is required to support the development goal?	Describe how the pre-project activity will be conducted. Note: it is not expected that all challenges can be addressed through pre-project activity. Focus should be on managing risk where possible.			How will you know when project preparation is sufficient?
Factor		Contextual Considerations	Y/N	Suggested Actions	Agreed Actions	Who	When	Activity Status
Policy Instruments	<b>Alignment of Objectives</b> Misaligned objectives reduce the likelihood of the project contributing to sustained development.	<b>Are there multiple funding organisations and/or responsible Implementing Agencies?</b> <b>Supplementary Considerations:</b> <ul style="list-style-type: none"> <li>Have the institutional challenges been identified and agreed?</li> <li>Are there clear and jointly owned sector development targets (national, state and/or local level)?</li> </ul>		<input type="checkbox"/> Enhanced engagement and coordination with funders and other responsible agencies is required (clear lines of decision-making, partnerships). <input type="checkbox"/> Sector policy, institutional and legal frameworks need development. <input type="checkbox"/> More information is needed around the development needs. <input type="checkbox"/> Other:				
		<b>Are the proposed project development objectives sufficiently aligned with national and state policy and strategies?</b> <b>Supplementary Considerations:</b> <ul style="list-style-type: none"> <li>Can the proposed objectives/ development goal be clearly linked to sector-level planning and Government investment priorities?</li> </ul>		<input type="checkbox"/> The business model needs to be considered for its relevance to wider policies/ strategies <input type="checkbox"/> Other:				
		<b>Are other Government supported objectives mutually reinforcing of the development goal?</b> <b>Supplementary Considerations:</b> <ul style="list-style-type: none"> <li>Is there evidence that a solution exists?</li> <li>Has the solution been tried in other states, countries?</li> </ul>		<input type="checkbox"/> Joint working should be leveraged. <input type="checkbox"/> Other:				

Understanding the Context		Assessing the Context		Required Pre-project Activity	Planning			Monitoring
Review the contextual factors and why increased pre-project activity may be required to manage strategic risk to the development goal.		Asses the context by answering the contextual considerations related to each of the factors. Where challenges to the achivement of the development goal raised and identify the potential cause of the challenge.		What pre-project activity is required to support the development goal?	Describe how the pre-project activity will be conducted. Note: it is not expected that all challenges can be addressed through pre-project activity. Focus should be on managing risk where possible.			How will you know when project preparation is sufficient?
Factor		Contextual Considerations	Y/N	Suggested Actions	Agreed Actions	Who	When	Activity Status
Policy Instruments	<b>Financial Viability</b> If the proposed project is of significant value, the funding arrangements for the project are complex or the project is expected to deliver significant value for money more effort should be put into helping the Implementing Agency prepare a robust business case.	<b>Can the development goal be reasonably delivered under the proposed funding regime?</b>  <b>Supplementary Considerations:</b> <ul style="list-style-type: none"> <li>Is there a robust business case for investment?</li> <li>Is there a comprehensive budget supported by robust financial modelling?</li> </ul>		<input type="checkbox"/> Data collection for investment decision making is needed. <input type="checkbox"/> Financial modelling/ planning is required. <input type="checkbox"/> Other:				
		<b>Does the project represent a highly involved type/source of finance and/or multiple donor contributions?</b>  <b>Supplementary Considerations:</b> <ul style="list-style-type: none"> <li>To what extent does the Implementing Agency have control of the budget?</li> <li>Is there adequate availability of counterpart funding from the borrower?</li> <li>To what extent are decision makers accountable for the use of financial resources?</li> </ul>		<input type="checkbox"/> There is a need to put plans in place to secure additional finance if required. <input type="checkbox"/> Support for assurance of estimates and expenditure needed. <input type="checkbox"/> Other:				
	<b>Interfaces and Relationships</b> If project success is dependent on factors mainly outside of the control of the primary Implementing Agency then consideration should be given to how power will be delegated and relationships managed.	<b>Does the project / programme span many boundaries (organizational, political and regional)?</b>  <b>Supplementary Considerations:</b> <ul style="list-style-type: none"> <li>Are governance arrangements overly complex or lacking?</li> <li>Are there potentially conflicting policies?</li> <li>Is there confience in the Primary Implementing Agency's ability to lead partners through the proposed reform?</li> </ul>		<input type="checkbox"/> A joint governing board is required. <input type="checkbox"/> Other:				

Understanding the Context		Assessing the Context		Required Pre-project Activity	Planning			Monitoring
Review the contextual factors and why increased pre-project activity may be required to manage strategic risk to the development goal.		Asses the context by answering the contextual considerations related to each of the factors. Where challenges to the achievement of the development goal raised and identify the potential cause of the challenge.		What pre-project activity is required to support the development goal?	Describe how the pre-project activity will be conducted. Note: it is not expected that all challenges can be addressed through pre-project activity. Focus should be on managing risk where possible.			How will you know when project preparation is sufficient?
Factor		Contextual Considerations	Y/N	Suggested Actions	Agreed Actions	Who	When	Activity Status
Organizational Arrangements	<b>Execution Complexity</b> Challenging objectives in short timeframes should be investigated for the capacity of the Implementing Agency to accept or implement the changes.	<b>Is there a robust implementation strategy/plan covering risk management, budget and schedule?</b> <b>Supplementary Considerations:</b> <ul style="list-style-type: none"> <li>Is there a wide project scope or challenging objectives that will only be achievable through external support?</li> </ul>		<input type="checkbox"/> Enhanced project management capability (PMO) needs to be developed/acquired. <input type="checkbox"/> Partnering for delivery should be considered (the use of partners where the timeframe/appetite is insufficient for in-house development). <input type="checkbox"/> Other:				
		<b>Does the proposed project involve new or untested business practices or technologies?</b> <b>Supplementary Considerations:</b> <ul style="list-style-type: none"> <li>Have the use of bespoke solutions been sufficient interrogated for value for money?</li> </ul>		<input type="checkbox"/> Phased implementation, piloting and/or significant training is required. <input type="checkbox"/> Other:				
Policy Instruments	<b>Dependencies</b> If the development goal is dependent on other initiatives or a significant amount of institutional development then consideration should be given to how the proposed project can leverage joint-working with other projects.	<b>Is the development goal dependent on other initiatives for success?</b> <b>Supplementary Considerations:</b> <ul style="list-style-type: none"> <li>What activities on the critical path are not under the control of the Primary Implementing Agency?</li> <li>Does planning sufficiently consider the timing of other initiatives?</li> </ul>		<input type="checkbox"/> A sector-wide monitoring framework is required. <input type="checkbox"/> Other:				
		<b>Is the development goal dependent on a significant amount of institutional development?</b> <b>Supplementary Considerations:</b> <ul style="list-style-type: none"> <li>Does the level of pre-project activity reflect the scale of the ID?</li> </ul>		<input type="checkbox"/> Increased pre-project activity to plan ID. <input type="checkbox"/> Joint-working with other projects should be considered. <input type="checkbox"/> Other:				

Understanding the Context		Assessing the Context		Required Pre-project Activity	Planning			Monitoring
Review the contextual factors and why increased pre-project activity may be required to manage strategic risk to the development goal.		Asses the context by answering the contextual considerations related to each of the factors. Where challenges to the achievement of the development goal raised and identify the potential cause of the challenge.		What pre-project activity is required to support the development goal?	Describe how the pre-project activity will be conducted. Note: it is not expected that all challenges can be addressed through pre-project activity. Focus should be on managing risk where possible.			How will you know when project preparation is sufficient?
Factor		Contextual Considerations	Y/N	Suggested Actions	Agreed Actions	Who	When	Activity Status
Organizational Arrangements	<b>Extent of Change</b> The amount of transformational change required to support new ways of working (e.g. new delivery models) should be evaluated. If the magnitude of the change is significant, it will need to be managed as a transformational change programme, thus providing progressive development through a series of tranches.	<b>Can the existing Implementing Agency realise the development goal?</b> <b>Supplementary Considerations:</b> <ul style="list-style-type: none"> <li>Is a fundamental change to the Implementing Agency (significant change in the way the primary delivery agency conducts its work) required in a short timeframe?</li> <li>Is there a representative organizational development/human resource strategy in place?</li> </ul>		<input type="checkbox"/> Development of an Organizational Design and Development/Human Resource Strategy is required. <input type="checkbox"/> Partnering for delivery should be considered. <input type="checkbox"/> Increased pre-project activity to plan ID. <input type="checkbox"/> Other:				
	<b>Range of Disciplines and Skills Required to Achieve the Development Goal</b> If there is potential for strain on the supply chain then the resource needs to support project delivery should be addressed during pre-project activity.	<b>Is the development/ use of a large number of specialist disciplines and skills required?</b> <b>Supplementary Considerations:</b> <ul style="list-style-type: none"> <li>Have the main implementing agencies and their functions been mapped out?</li> <li>Has the market been sufficiently investigated?</li> <li>Has the balance between insourcing and outsourcing resource been investigated?</li> <li>Has an appropriate delivery model been selected?</li> </ul>		<input type="checkbox"/> Market research/ engagement is required. <input type="checkbox"/> Partnering for delivery should be considered. <input type="checkbox"/> Pre-project market shaping is needed. <input type="checkbox"/> Increased pre-project activity to plan ID. <input type="checkbox"/> Other:				

Understanding the Context		Assessing the Context		Required Pre-project Activity	Planning			Monitoring
Review the contextual factors and why increased pre-project activity may be required to manage strategic risk to the development goal.		Asses the context by answering the contextual considerations related to each of the factors. Where challenges to the achievement of the development goal raised and identify the potential cause of the challenge.		What pre-project activity is required to support the development goal?	Describe how the pre-project activity will be conducted. Note: it is not expected that all challenges can be addressed through pre-project activity. Focus should be on managing risk where possible.			How will you know when project preparation is sufficient?
Factor		Contextual Considerations	Y/N	Suggested Actions	Agreed Actions	Who	When	Activity Status
Organizational Arrangements	<b>Implementing Agency Performance to Date</b> If the Implementing Agency has not demonstrated the capability to manage implementation of (national or local) strategies, plans and programmes of the same scale or type then consideration should be given as to whether the required development is appropriate for the organization.	<b>Has the Implementing Agency had any issues meeting objectives under similar arrangements?</b>  <b>Supplementary Considerations:</b> <ul style="list-style-type: none"> <li>Is there sufficient leadership and senior level experience?</li> <li>Has the solution been successful in other similar environments?</li> </ul>		<input type="checkbox"/> Partnerships for facilitating/ implementing the development should be considered.  <input type="checkbox"/> Synergies with past solutions should be investigated.  <input type="checkbox"/> Other:				
	<b>Sustainability of Intervention</b> Understanding how all parts of an organization need to be developed is key to long term institutional strengthening. Strategic risk to the project can emerge if elements are developed as discrete components.	<b>Is there a detailed Implementation Plan that covers how policy, culture, working practices, technology, people, processes and procedures work together for sustainable development?</b>  <b>Supplementary Considerations:</b> <ul style="list-style-type: none"> <li>Is the development goal concentrated but expected outcomes are broad?</li> <li>Is there a clear line of sight between policy, expected outcomes and project activity?</li> </ul>		<input type="checkbox"/> An Organizational Development technical expert should be engaged for ID design.  <input type="checkbox"/> Other:				

# Annex C: Capability Assessment for ID Design

Core Capability Area	Assessing Good Practice		Required Institutional Development	Enablers of Institutional Development			ID Components	Monitoring & Evaluation	
	Review the core capability areas and reflect on the importance for the achievement of the development goal	Consider the evidence of good practice related to each of the core capability. Where good practice is lacking or questionable, describe the potential gap. Use the prompts provided.	What institutional development is required to support the development goal?	What activities are required to enable the institutional development (people, systems and process)			How can the identified activities be sensibly packaged?	How will you know when the gaps have been closed (consider the good practice statements)?	Describe how the ID works the development goal
Good Practice	Evidence of Good Practice	Is there a potential gap?	Gaps to be Closed	People	Systems	Process	Workstreams	ID Intermediate Outcomes	ID PDO
<b>Policy Instruments</b>  <b>Project Governance Arrangements</b> Effective project governance aligns projects to the overall organisational/development goals, ensures that the project fulfils its purpose and is effective, efficient and transparent. Good project governance clearly sets out decision-making responsibilities against an agreed statement of objectives providing the project team the autonomy to deliver.	The project has a clear statement of the objectives from Project Leaders.	<ul style="list-style-type: none"> <li>Is there a legal mandate?</li> </ul>							
	The project/ Impelementing Agency has a formal governance framework that sets out decision-making and delegation of authority.	<ul style="list-style-type: none"> <li>Is a new governance framework needed (system for delegation, process for decision-making/change control)?</li> </ul>							
	There is a robust monitoring and evaluation system.	<ul style="list-style-type: none"> <li>Do reporting and accountability mechanisms need to be revised?</li> <li>Is there coordinated assurance?</li> </ul>							

	Core Capability Area		Assessing Good Practice		Required Institutional Development	Enablers of Institutional Development			ID Components	Monitoring & Evaluation	
	Review the core capability areas and reflect on the importance for the achievement of the development goal		Consider the evidence of good practice related to each of the core capability. Where good practice is lacking or questionable, describe the potential gap. Use the prompts provided.		What institutional development is required to support the development goal?	What activities are required to enable the institutional development (people, systems and process)			How can the identified activities be sensibly packaged?	How will you know when the gaps have been closed (consider the good practice statements)?	Describe how the ID works the development goal
Good Practice		Evidence of Good Practice	Is there a potential gap?	Gaps to be Closed	People	Systems	Process	Workstreams	ID Intermediate Outcomes	ID PDO	
Policy Instruments	<b>Institutional Frameworks for Development</b> There is demonstrable Implementing Agency commitment to the development goal, the required institutional development and future operations and maintenance.		Published Asset Management Policy that adequately addresses the development goal.	<ul style="list-style-type: none"> <li>Are new policies required?</li> </ul>							
			The asset investment strategy (funding and resource) is aligned to the development goal.	<ul style="list-style-type: none"> <li>Can existing strategies adequately address the development goal?</li> </ul>							
			There are integrated strategies linked to current capability and resource.	<ul style="list-style-type: none"> <li>Are new strategies consistent/compatible with existing ones?</li> </ul>							
			There are appropriate pre-conditions to support the development goal.	<ul style="list-style-type: none"> <li>Does development goal does require new methods of financing or contracting?</li> </ul>							

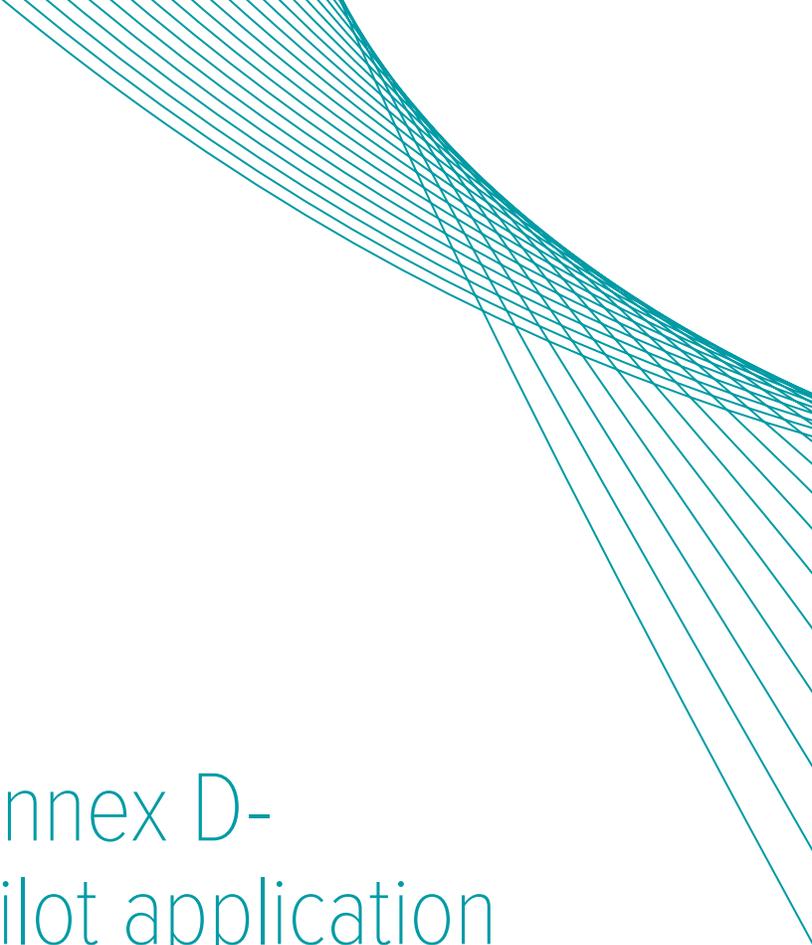


	Core Capability Area	Assessing Good Practice		Required Institutional Development	Enablers of Institutional Development			ID Components	Monitoring & Evaluation	
	Review the core capability areas and reflect on the importance for the achievement of the development goal	Consider the evidence of good practice related to each of the core capability. Where good practice is lacking or questionable, describe the potential gap. Use the prompts provided.		What institutional development is required to support the development goal?	What activities are required to enable the institutional development (people, systems and process)			How can the identified activities be sensibly packaged?	How will you know when the gaps have been closed (consider the good practice statements)?	Describe how the ID works the development goal
	Good Practice	Evidence of Good Practice	Is there a potential gap?	Gaps to be Closed	People	Systems	Process	Workstreams	ID Intermediate Outcomes	ID PDO
<b>Organisational Arrangements</b>	<b>Business Practices and Implementation Procedures</b> Application of modern industry/ business practices is critical to sustainable development.	The Implementing Agency has strong project delivery capability. <ul style="list-style-type: none"> <li>Does the Implementing Agency have the capability to plan and supervise/coordinate activities (financial management, procurement capability)?</li> <li>Have project management and risk management arrangements been considered?</li> <li>Is there a defined set of activities accompanied by a budget, timeline, and assigned personnel?</li> <li>Has the distribution of in-house/ external resource been considered?</li> </ul>								
		Key functions to support the development goal have been identified and resourced. <ul style="list-style-type: none"> <li>Is there adequate staffing with technical and administrative skills to meet the development goal?</li> <li>Is there a plan for resourcing key functions?</li> <li>Has the distribution of in-house/ external resource been considered?</li> </ul>								

	Core Capability Area	Assessing Good Practice		Required Institutional Development	Enablers of Institutional Development			ID Components	Monitoring & Evaluation	
	Review the core capability areas and reflect on the importance for the achievement of the development goal	Consider the evidence of good practice related to each of the core capability. Where good practice is lacking or questionable, describe the potential gap. Use the prompts provided.		What institutional development is required to support the development goal?	What activities are required to enable the institutional development (people, systems and process)			How can the identified activities be sensibly packaged?	How will you know when the gaps have been closed (consider the good practice statements)?	Describe how the ID works the development goal
	Good Practice	Evidence of Good Practice	Is there a potential gap?	Gaps to be Closed	People	Systems	Process	Workstreams	ID Intermediate Outcomes	ID PDO
Organisational Arrangements	(Continue) Business Practices and Implementation Procedures	The Implementing Agency has strong Implementation procedures.	<ul style="list-style-type: none"> <li>Have line management arrangements for implementation been considered?</li> <li>Are there robust procedures for land acquisition, social safeguards?</li> <li>Is there a plan for staff development and training?</li> <li>Does the Implementing Agency have the expertise to objectively challenge cost estimates?</li> </ul>							
		The core processes and systems meet current and future asset management and project delivery needs.	<ul style="list-style-type: none"> <li>Are there adequate systems and procedures for: Procurement, Financial Management, Contract Management, Road Safety Management, Environmental Management, Social Safeguards?</li> <li>Are there existing solutions that could be leveraged?</li> </ul>							

	Core Capability Area	Assessing Good Practice		Required Institutional Development	Enablers of Institutional Development			ID Components	Monitoring & Evaluation	
	Review the core capability areas and reflect on the importance for the achievement of the development goal	Consider the evidence of good practice related to each of the core capability. Where good practice is lacking or questionable, describe the potential gap. Use the prompts provided.		What institutional development is required to support the development goal?	What activities are required to enable the institutional development (people, systems and process)			How can the identified activities be sensibly packaged?	How will you know when the gaps have been closed (consider the good practice statements)?	Describe how the ID works the development goal
Good Practice	Evidence of Good Practice	Is there a potential gap?	Gaps to be Closed	People	Systems	Process	Workstreams	ID Intermediate Outcomes	ID PDO	
Organisational Arrangements	(Continue) Business Practices and Implementation Procedures	The market related to the achievement of the development goal is well understood.	<ul style="list-style-type: none"> <li>How will supplier quality be ensured?</li> <li>Have appropriate measurement, metrics and targets been established?</li> <li>Is there a plan for achieving increased value from the competition process?</li> <li>Is there a well defined packaging strategy? How will the market be incentivised?</li> </ul>							
		The implementing Agency is committed to continuous improvement and sustained development.	<ul style="list-style-type: none"> <li>Have appropriate measurement, metrics and targets been established?</li> <li>Will international suppliers be leveraged to build capacity?</li> </ul>							





Annex D-  
Pilot application  
of the Institutional  
Development  
Roadmap

## Project Information

<b>Project Name</b>	Rajasthan State Highways Development Program (RSHDP)	<b>Date</b>	April 2018
<b>Country / State</b>	India	<b>TTL</b>	Mesfin Wodajo Jijo
<b>Sector</b>	Roads	<b>Expert</b>	Radia Benamghar
<b>Project Development Objective (PDO) as per concept note</b>			
The PDO to provide safe, reliable and informed journeys for road users on priority corridors, and strengthen institutional capacity to develop, fund, manage and operate the strategic road network of Rajasthan.			
<b>Key Results as per concept note</b>			
<ul style="list-style-type: none"> <li>i. Increased road user satisfaction (gender disaggregated data) on priority corridors (develop parameters and measure as %)</li> <li>ii. Reduction in average roughness of the strategic network (IRI)</li> <li>iii. Setting up and making the Highway administration functional (% KPIs for HA achieved)</li> <li>iv. Development and use of Strategic asset management approach (percentage of projects selected and delivered)</li> <li>v. Increased private financing in the road sector in Rajasthan (\$ or % raised from private sources)</li> </ul>			
<b>Concept Description</b>			
<p>The Bank adopts a two pronged strategy to support the State of Rajasthan through the proposed project RSHDP II:</p> <p><b>(i)</b> to efficiently manage the state's strategic road network, through building modern highway authority equipped with modern management systems and capability to raise sufficient road financing from own revenues and the commercial market. This support will have a strategic longer term impact and;</p> <p><b>(ii)</b> support investment needs for improving priority highway corridors included in the Rajasthan State Highways Development Program (RSHDP) – a program launched in 2014 to develop and sustainably manage about 20,000 km of state road network.</p>			
<b>Financing and Instrument</b>			
TBD			
<b>Data sources</b>			
<b>Interviews</b>			
Confidential			





# Step 1 - Contextual Assessment

Understanding the Context		Assessing the Context				Scoring the Context		Planning Activities	Comments and Notes	
Review the contextual factors and why increased pre-project activity may be required to manage strategic risk to the development goal.		Assess the context by answering the contextual considerations related to each of the factors. Where challenges to the achievement of the development goal are raised and identify the potential cause of the challenge.		Assess the context by evaluating the contextual situation against typical standards and inform scoring		Self Assessment	Expert	Typical activity to support the development goal		
Factors		Guiding questions		Level 1	Level 2	Level 3	Examples of Suggested Actions			
				There are significant organizational challenges. Practices, processes and systems are outdated or immature.	Some elements of good practice are being utilized. Systems and processes are appropriate for the current requirement but may not be sustainable	There is an outcome focus and maximum value is achieved from the asset and external relationships				
Socio-Political Environment	<b>Stability of the Environment</b> The environment stability has an impact on the Implementing Agency's capacity to deliver and will influence how activities and risks will be managed. The likelihood of change and confidence in the Implementing Agency's capacity to adapt to that change will inform pre-project activity needed to mitigate the risks and stabilise the environment.	<b>Leadership Commitment</b>	<ul style="list-style-type: none"> <li>Are relevant leaders committed to the reform/ development goal?</li> <li>Is there evidence of bureaucratic support for the development goal (required legislations, expressed public support)?</li> <li>Is commitment reflected in investment priorities?</li> <li>Is there support against political change?</li> </ul>	<input type="checkbox"/> Ownership of the project is weak and legislation has not been enacted or effectively approved through appropriate channels.  <input type="checkbox"/> There is no investment plan or it is disconnected to the project objectives	<input type="checkbox"/> Adequate legal frameworks are in place and aligned with investments policies.  <input type="checkbox"/> no implementation	<input type="checkbox"/> Legal frameworks and investment plans are clearly articulated in a regional/national development plan and a public monitoring mechanism is in place.	2	1	<input type="checkbox"/> Support to establish regulatory agency is required to meet the development goal  <input type="checkbox"/> A Charter/ memorandum of understanding between Government/ Project Leaders, the Implementing Agency(s) and key stakeholders is needed.	Act was passed. Initiated by the government. Many meeting and engagements. Commitments in speeches. Too long not reach the point for implementation. They are committed but don't have the time. Financial aspects are not there. Leadership will play a critical role -self motivation

Understanding the Context		Assessing the Context			Scoring the Context		Planning Activities		
Socio-Political Environment	<i>(Continue)</i> Stability of the Environment	<p><b>Conducive political, economic, and/or social environment</b></p> <ul style="list-style-type: none"> <li>Have there been any recent political, economic, or social issues that have impacted the general governance environment?</li> <li>Are there any political, economic, or social issues that have impacted or disrupted planning and service delivery in the transport sector?</li> <li>What are the key contextual factors that have impacted meaningful reforms in the sector (including community, state [for federal systems], national, regional, and global factors)?</li> </ul>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Local / national political events are negatively impacting or slowing the pace of reforms.</li> <li><input type="checkbox"/> no or limited citizen consultation / social events are negatively impacting reforms in the sector</li> <li><input type="checkbox"/> important economic crisis</li> </ul>	<ul style="list-style-type: none"> <li><input type="checkbox"/> local / national political events are disturbing activities of public and private sector</li> <li><input type="checkbox"/> some social issues are negatively impacting regular activities</li> <li><input type="checkbox"/> economic environment is fluctuating</li> </ul>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Local/national political events are conducive to important reforms in sector or in general</li> <li><input type="checkbox"/> regular citizen consultations support reforms</li> <li><input type="checkbox"/> Stable and growing economic environment</li> </ul>	2	2	<ul style="list-style-type: none"> <li><input type="checkbox"/> Robust analysis of the potential impact of the political, economic and/or social environment and scenario planning.</li> <li><input type="checkbox"/> A Charter/ memorandum of understanding between Government/ Project Leaders, the IA(s) and key stakeholders.</li> <li><input type="checkbox"/> Allocation of contingencies to manage the political risk.</li> <li><input type="checkbox"/> Phased investment and/or delivery is recommended.</li> <li><input type="checkbox"/> A reform roadmap is needed to address governance challenges.</li> </ul>	Elections will accelerate elections will have no impact. Elections makes things move until elections.

Understanding the Context	Assessing the Context				Scoring the Context		Planning Activities	
<p><i>(Continue)</i> Stability of the Environment</p>	<p><b>Delegated Authority</b></p>	<ul style="list-style-type: none"> <li>Has the necessary delegated management responsibility/ autonomy been granted.</li> <li>Does the Implementing Agency have ownership over its policies, strategic and structure? What activities on the critical path are not under the control of the Primary Implementing Agency?</li> <li>Does planning sufficiently consider the timing of other initiatives? What are the formal and informal channels for decision making?</li> <li>In addition to the IA, what other government entities have decision-making authorities that would impact project activities?</li> </ul>	<ul style="list-style-type: none"> <li><input type="checkbox"/> There is no formal delegation of authority and/ or the delegation is too limited to ensure smooth operations.</li> <li><input type="checkbox"/> There is evidence of high turnover in project leadership linked to new governmental appointments.</li> <li><input type="checkbox"/> significant political interference in day-to-day management of the IA</li> </ul>	<ul style="list-style-type: none"> <li><input type="checkbox"/> The IA has a leadership team appointed and stable with sufficient authority to ensure regular day-to-day operations are effective.</li> <li><input type="checkbox"/> Limited but regular political interference in day-to-day management of the IA</li> <li><input type="checkbox"/> Operational decisions are implemented in a timely manner and communicated to citizens / stakeholders</li> </ul>	<ul style="list-style-type: none"> <li><input type="checkbox"/> The IA leadership team makes strategic decisions and can adapt direction of the works to the needs for growth of the agency.</li> <li><input type="checkbox"/> Transparent, efficient and effective decision making mechanisms are regularly monitored and reported against</li> </ul>	1	1	<ul style="list-style-type: none"> <li><input type="checkbox"/> Formal delegated authority is required (e.g. Project Development Agreement).</li> <li><input type="checkbox"/> Corporate governance analysis</li> <li><input type="checkbox"/> citizen engagement activities</li> <li><input type="checkbox"/> Management training</li> <li><input type="checkbox"/> Accountability charter/framework</li> </ul>

Understanding the Context		Assessing the Context			Scoring the Context		Planning Activities			
Socio-Political Environment	<b>Stakeholders and Influencers</b> A significant number of stakeholders with high levels of influence expose the development goal to risk from differing expectations; and may have grounds to object to the operation, implementation or objective, that may affect its successful completion by delaying or halting its implementation. Stakeholders could include civil society, private sector organizations, labor unions, governments of other countries, other donors and other members of the general public	<b>Stakeholders analysis</b>	<ul style="list-style-type: none"> <li>Who are the relevant stakeholders involved in shaping the development objectives? Are stakeholders likely to change?</li> <li>Are stakeholders likely to change? Is there a consensus among these stakeholders and influencers regarding the importance of the development objectives?</li> <li>If not, what are the differences and why?</li> <li>Can these differences be addressed or are they irreconcilable?</li> <li>What are the key actors and/ or stakeholders that are outside of the control of the primary IA?</li> <li>What are the incentives (if any) required for the actors and/ or stakeholders to productively partner with the primary IA to successfully implement project activities?</li> </ul>	<input type="checkbox"/> Key stakeholders have not been identified and actions can have negative impact / cause delay to actions or programs. <input type="checkbox"/> Conflicts and difference of interests amongst stakeholders <input type="checkbox"/> Competing agencies	<input type="checkbox"/> There is a clear identification of key stakeholders and an engagement plan in place. <input type="checkbox"/> Differences in interests can be addressed however incentives are not aligned to support the development goals. <input type="checkbox"/> roles and responsibilities of agencies are established but unclear or not communicated appropriately	<input type="checkbox"/> Influential stakeholders demonstrate open commitment and seek to constantly bring consensus with others to achieve results <input type="checkbox"/> There are clear incentives in place aligned with development goals and formal resolution mechanisms exists to solve issues. <input type="checkbox"/> Roles and responsibilities of agencies are clear, communicated and regularly monitored by the public	2	1	<input type="checkbox"/> Stakeholder engagement analysis and strategy to be put in place <input type="checkbox"/> Formal partnerships with key stakeholders are needed. <input type="checkbox"/> Communication strategy <input type="checkbox"/> Citizen engagement approach and tools to be implemented	There is not much communication outside. Within PWD people are very much aware about it. Staff are impacted in their work program. Chief Secretary and Chief Minister. No communication. Trust is the main issue because Bankers are not investing.

Understanding the Context	Assessing the Context			Scoring the Context		Planning Activities			
<p><i>(Continue)</i> Stakeholders and Influencers</p>	<p><b>Effective engagement mechanisms</b></p>	<ul style="list-style-type: none"> <li>Is the process for defining the project objectives clearly communicated and transparent?</li> <li>Are there regular, formal engagement and reporting channels?</li> <li>Does the IA/ management have experience working with the project stakeholders and/ or in the targeted communities?</li> <li>Does IA have adequate human resource capacity to effectively engage key stakeholders?</li> <li>Is data used to support decision-making and lead stakeholders?</li> <li>Does the IA have systems in place for citizen engagement?</li> <li>Is relevant information shared appropriately?</li> </ul>	<ul style="list-style-type: none"> <li>Engagements and communications are not existant or not initiated by the IA.</li> <li>There is no experience/ authority in the IA in managing stakeholders engagements</li> </ul>	<ul style="list-style-type: none"> <li>There is a lack of experience in managing networks of stakeholders and no formal communication and engagement strategy has been defined.</li> <li>Actions are ad hoc and reactive.</li> <li>there is no communication dept.</li> </ul>	<ul style="list-style-type: none"> <li>There is an engagement and communication strategy supporting the development goals.</li> <li>There are regularl feedback loops in place to ensure continuous engagement and improvement of the IA' performance</li> </ul>	1	1	<ul style="list-style-type: none"> <li>Policy instruments review</li> <li>Mechanisms for stakeholder communication are required.</li> <li>A joint governing board is required.</li> <li>Clarification of roles and responsibilities of the IA and other relevant entities required.</li> </ul>	<p>Suggestion: monthly bulletin from the dept. head Not necessary to communicate more. The Bank mission refreshed their minds at the PS level but not at Chief Minister because he is new. Inside PWD there are meetings and informal channels. No real communication. Need for engagement.</p>

Understanding the Context		Assessing the Context				Scoring the Context		Planning Activities	
Policy Instruments	<b>Strategic Importance of the Project</b> High expectations of the project outcomes require strong project sponsorship (government commitment and strategic level ownership of the business case). Ambitious projects much have clear accountability at a senior level. The project must be aligned with national/regional development objectives and	<b>Reform rationale</b> <ul style="list-style-type: none"> <li>Does the Implementing Agency does have a good understanding of the strategic reasons for the reform?</li> <li>Has the risk of the introduction of new policy/strategy been investigated? Are there potentially conflicting policies?</li> <li>Is there confidence in the primary IA's ability to lead partners through the proposed reform?</li> </ul>	<input type="checkbox"/> The objectives of the reform are not linked to the IA's work program. <input type="checkbox"/> There is a lack of trust / understanding of the Reform agenda amongst the IA's leadership	<input type="checkbox"/> The reform is integrated in the IA's work program. <input type="checkbox"/> There is reluctance /significant delays in designing or implementing new policies or frameworks supporting the new strategy.	<input type="checkbox"/> The IA is a key elements driving and communicating the Reform through formal and public mechanisms. <input type="checkbox"/> The risks are regularly monitored and there is demonstration of mitigation plans in place and/or communicated.	3	2	<input type="checkbox"/> Assistance with policy translation/ strategy development is critical. <input type="checkbox"/> Change management program to be developed to support the project <input type="checkbox"/> Institutional assessment of different models for network management	Additional finance sources will help the overall road strategy. There is a high need for this authority because there will be more autonomy.
	<b>Link to policy delivery</b>	<ul style="list-style-type: none"> <li>Is the project critical to the delivery of policy and key strategic objectives?</li> <li>Have challenges to delivery been identified at the system level (policy, legal and regulatory)?</li> </ul>	<input type="checkbox"/> The link between project outcomes and policy is limited. <input type="checkbox"/> There is a regulatory vacuum to support the reform	<input type="checkbox"/> Delays in policy implementation have minor impact on delivery of the works. <input type="checkbox"/> Challenges are observed however addressed in a passive manner.	<input type="checkbox"/> There is evidence that the implementation of the policy has an impact and that formal systems are in place to ensure effective delivery.	3	1	<input type="checkbox"/> A review and update of legislation/policy for its ability to accommodate revision is needed. <input type="checkbox"/> An effective policy and legislative framework is required. <input type="checkbox"/> An Institutional Development Study should be completed.	

Understanding the Context		Assessing the Context				Scoring the Context		Planning Activities		
Policy Instruments	(Continue) Strategic Importance of the Project	Accountability of the project delivery	<ul style="list-style-type: none"> <li>Have the authorities appointed a senior leader accountable for the project? Are project leaders accountable for the delivery of project outcomes?</li> <li>Are there regular reporting mechanism between the project leadership and authorities?</li> <li>Is there evidence of agreed, realistic project outcomes and representative targets? What relevant official decisions have been made (public record)?</li> <li>Is there a clear record of the IA and relevant entities following key strategic objectives?</li> </ul>	<input type="checkbox"/> There is a high turnover in leadership or indadequate level of appointment of the team and no consequences nor rewards system in place.	<input type="checkbox"/> Results of the team are monitored however, there is no evidence of a formal engagement between the IA and authorities.	<input type="checkbox"/> There are clear lines of accountability between the IA and rewards and sanction mechanisms are in place to support the leadership and staff motivation to obtain results.	1	1	<input type="checkbox"/> Formalize IA and/ or Leadership appointment and TORs <input type="checkbox"/> Develop formal and comprehensive reporting (M&E) tools and mechanisms <input type="checkbox"/> Establish archiving / knowledge management system	A lot of political interference. Once it will be established it will take its own course. The target is clear.
				<input type="checkbox"/> outcomes /results of the project are not attributed	<input type="checkbox"/> outcomes/results are attributed to the proejct					

	Understanding the Context	Assessing the Context	Scoring the Context		Planning Activities		
Policy Instruments	<p><b>Alignment of Objectives</b></p> <p>Misaligned objectives reduce the likelihood of the project contributing to sustained development. If the development goal is dependent on other initiatives or a significant amount of institutional development then consideration should be given to how the proposed project can leverage joint-working with other projects</p> <p>If project success is dependent on factors mainly outside of the control of the primary Implementing Agency then consideration should be given to how power will be delegated and relationships managed.</p>	<p><b>Interdependencies with other Government supported objectives</b></p> <ul style="list-style-type: none"> <li>• Are there multiple funding organisations and/ or responsible Implementing Agencies?</li> <li>• Have the institutional challenges been identified and agreed?</li> <li>• Are there clear and jointly owned sector development targets (national, state and/or local level)? What activities on the critical path are not under the control of the primary IA?</li> <li>• Does planning sufficiently consider the timing of other initiatives?</li> <li>• How would you describe the working relationships between the IA and other relevant entities?</li> </ul>	<ul style="list-style-type: none"> <li><input type="checkbox"/> The implementation plan is isolated from other relevant government initiatives.</li> <li><input type="checkbox"/> there are duplication of efforts and resources within the sector</li> <li><input type="checkbox"/> there is unclarity of ownership between different entities</li> </ul>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Relations between different initiatives are established however, there are dysfunctional or contradictory approaches/ policies create adverse impact on the ability of the IA to operate effectively or efficiently.</li> <li><input type="checkbox"/> the various implementation plans are not aligned creating confusion or distraction of resources</li> </ul>	<ul style="list-style-type: none"> <li><input type="checkbox"/> The interdependencies between government agencies and/ or different IA are defined at a strategic level and resources are leveraged to the benefit of results for all programs.</li> <li><input type="checkbox"/> The roles and responsibilities of the different actors are clear, accepted and relationships between the IAs are strengthening overall results and development goals.</li> </ul>	<p>1</p> <p>1</p>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Enhanced engagement and coordination with funders and other responsible agencies is required (clear lines of decision-making, partnerships).</li> <li><input type="checkbox"/> Sector policy, institutional and legal frameworks need development.</li> <li><input type="checkbox"/> More information is needed around the development needs.</li> <li><input type="checkbox"/> Partnerships for facilitating/ implementing the development should be considered.</li> <li><input type="checkbox"/> Synergies with past solutions should be investigated</li> <li><input type="checkbox"/> Joint working should be leveraged.</li> </ul>

Understanding the Context		Assessing the Context				Scoring the Context		Planning Activities	
Policy Instruments	(Continue) Alignment of Objectives	Alignment with regional / national strategy	<ul style="list-style-type: none"> <li>Are the proposed project development objectives sufficiently aligned with national and state policy and strategies?</li> <li>How important are national and state policy and strategies to sector priorities and decision-making?</li> <li>Are there other factors that impact sector priorities and decision-making?</li> <li>Can the proposed objectives/ development goal be clearly linked to sector-level planning and Government investment priorities?</li> </ul>	<input type="checkbox"/> <input type="checkbox"/> The project is not aligned with national / sectoral strategy and decision making is adversely impacted <input type="checkbox"/> There is a lack of resources to ensure sustainability of the project	<input type="checkbox"/> There is a reasonable alignment between the project's development objectives and national/regional strategy however, there is a lack of articulated priorities that impacts or delays decision making. <input type="checkbox"/> Investments are de-linked from project objectives	<input type="checkbox"/> The objectives of the project are leveraged by the national/regional development plan <input type="checkbox"/> The project outcomes influence the sector's planning and investment priorities.	2	2	<input type="checkbox"/> Synergies with regional / national strategy and policy to be demonstrated. <input type="checkbox"/> Joint working should be leveraged. <input type="checkbox"/> A sector-wide monitoring framework is required.

	Understanding the Context	Assessing the Context	Scoring the Context		Planning Activities				
Policy Instruments	(Continue) Alignment of Objectives	<p><b>Performance of the agency</b></p> <ul style="list-style-type: none"> <li>Is the development objective dependent on a significant amount of institutional development?</li> <li>Is there sufficient leadership and senior level experience?</li> <li>Has the solution been successful in other similar environments?</li> <li>Is there a detailed Implementation Plan that covers how policy, culture, working practices, technology, people, processes and procedures work together for sustainable development?</li> <li>Is the development objective concentrated but expected outcomes are broad?</li> <li>Is there a clear line of sight between policy, expected outcomes and project activity?</li> </ul>	<ul style="list-style-type: none"> <li><input type="checkbox"/> The IA is not operating at expected level of results.</li> <li><input type="checkbox"/> There are significant gaps between outcomes and resources</li> <li><input type="checkbox"/> There is a lack of experienced leadership in managing the IA</li> <li><input type="checkbox"/> There is</li> </ul>	<ul style="list-style-type: none"> <li><input type="checkbox"/> The IA is well managed and achieves the majority of the expected results.</li> <li><input type="checkbox"/> The implementation plan is updated and aligned with work practices in the sector/region / nation</li> <li><input type="checkbox"/> activities are regularly monitored and corrective measures are in place.</li> <li><input type="checkbox"/> qualified and recognized leaders are in place in the IA</li> </ul>	<ul style="list-style-type: none"> <li><input type="checkbox"/> The IA is a best demonstrated practice for the sector and beyond.</li> <li><input type="checkbox"/> Work practices, policies and staffing models have been replicated to support other projects.</li> <li><input type="checkbox"/> Business processes and/or innovation have had positive impact on results beyond the project, in the sector and/or the region/national level</li> </ul>	2	1	<ul style="list-style-type: none"> <li><input type="checkbox"/> The business model needs to be considered for its relevance to wider policies/strategies.</li> <li><input type="checkbox"/> Increased pre-project activity to plan ID</li> <li><input type="checkbox"/> Performance Agreement between the IA and Authorities</li> </ul>	best officers are engaged in this project

Understanding the Context	Assessing the Context			Scoring the Context		Planning Activities		
<b>Financial Viability</b> If the proposed project is of significant value, the funding arrangements for the project are complex or the project is expected to deliver significant value for money more effort should be put into helping the Implementing Agency prepare a robust business case.	<b>Availability and sources of Funding</b>	<ul style="list-style-type: none"> <li>Is there a robust business case for investment?</li> <li>Does the project represent highly involved type/source of finance and/or multiple donor contributions?</li> <li>Is there adequate availability of counterpart funding from the borrower?</li> <li>To what extent are decision makers accountable for the use of financial resources?</li> </ul>	<ul style="list-style-type: none"> <li>The project is underfunded or resources have been misallocated</li> <li>Counterpart's budget has been revised with an adverse impact on the project</li> <li>Funding of the project requires significant revision of funding</li> </ul>	<ul style="list-style-type: none"> <li>The IA is sufficiently funded to operate within budget requirements.</li> <li>Activities are well provided for and there is a transparent budget in place</li> <li>budget control function is in place internally and externally</li> </ul>	<ul style="list-style-type: none"> <li>The project activities are strategically funded through multiple sources that leverage each other</li> <li>There are formal and public collaboration mechanisms in place providing transparent monitoring and control from the public</li> </ul>	2	2	<ul style="list-style-type: none"> <li>Data collection for investment decision making is needed.</li> <li>Financial modelling/planning is required.</li> <li>There is a need to put plans in place to secure additional finance if required.</li> <li>Support for assurance of estimates and expenditure needed.</li> </ul>
	<b>Budget Management</b>	<ul style="list-style-type: none"> <li>Is there a comprehensive budget supported by robust financial modelling?</li> <li>To what extent does the IA have control of the budget? What are the specific financial management strengths and weaknesses of the IA and other relevant entities?</li> <li>How does the Implementing Entity derive its authority to manage the proposed funding regime?</li> </ul>	<ul style="list-style-type: none"> <li>The proposed budget is not aligned with project activities</li> <li>The IA has limited control over budget and expenditures</li> <li>Financial management skills need to be strengthened</li> </ul>	<ul style="list-style-type: none"> <li>The IA has the means to be accountable for financial management.</li> <li>Complex financial management and budgeting skills and experience are available in the team</li> <li>Highly fragmented institutional arrangements</li> </ul>	<ul style="list-style-type: none"> <li>The strategic planning includes a long term, multi years budget aligned with regional / national plans</li> <li>Streamlined planning and budgeting processes are in place</li> <li>Business improvement processes are regularly implemented</li> </ul>	3	2	<ul style="list-style-type: none"> <li>Pre-project financial modelling including consultancy costs and change management / OD activities. must be made for subsequent</li> <li>Allowances for contingencies should be considered</li> <li>FM Capacity Assessment</li> </ul>

Understanding the Context		Assessing the Context					Scoring the Context		Planning Activities	
Organizational Arrangements	<p><b>Execution Complexity</b></p> <p>Challenging objectives in short timeframes should be investigated for the capacity of the Implementing Agency to accept or implement the changes.</p> <p>The amount of transformational change required to support new ways of working (e.g. new delivery models) should be evaluated. If the magnitude of the change is significant, it will need to be managed as a transformational change programme, thus providing progressive development through a series of tranches.</p>	<p><b>Extend of Change</b></p> <ul style="list-style-type: none"> <li>Is a fundamental change to the IA (significant change in the way the primary delivery agency conducts its work) required in a short timeframe?</li> <li>Has the solution been tried in other states, countries?</li> <li>Is there a representative organizational development/ human resource strategy in place?</li> <li>Does the IA have the capacity and will to follow through on these reforms?</li> <li>Are there sufficient / qualified human resources to ensure implementation</li> <li>Does the IA have the authority to make the operational changes required for successful project implementation?</li> <li>Is the organizational culture of the IA conducive to change?</li> </ul>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Reactive behavior to change ;</li> <li><input type="checkbox"/> undefined leadership roles for driving the change</li> <li><input type="checkbox"/> lack of service orientation</li> <li><input type="checkbox"/> lack incentives to perform</li> <li><input type="checkbox"/> there is no evidence/track record of effective reforms</li> <li><input type="checkbox"/> there are limited staff allocated to research and innovation</li> <li><input type="checkbox"/> change has created high turnover in qualified staff</li> </ul>	<ul style="list-style-type: none"> <li><input type="checkbox"/> there is evidence of a reasonable appetite for change in the IA</li> <li><input type="checkbox"/> change had no or limited impact on staff turnover</li> <li><input type="checkbox"/> change had a recognized positive impact on service delivery</li> <li><input type="checkbox"/> there is a public support from leadership for change</li> </ul>	<ul style="list-style-type: none"> <li><input type="checkbox"/> changes and innovation are anticipated and planned for</li> <li><input type="checkbox"/> there is a positive track record of innovation implementation</li> <li><input type="checkbox"/> change has created recognized opportunities for the IA</li> <li><input type="checkbox"/> leadership is acknowledge as a champion for change</li> </ul>	1	1	<ul style="list-style-type: none"> <li><input type="checkbox"/> Development of an Organizational Design strategy</li> <li><input type="checkbox"/> Partnering for delivery</li> <li><input type="checkbox"/> Increased pre-project activity to plan ID. Pre-project funds to be used as finance for strategic consultancy for developing the non construction elements of the programme (development of an organisational design and development plan and implementation plan).</li> </ul>		

Understanding the Context		Assessing the Context				Scoring the Context		Planning Activities	
Organizational Arrangements	(Continue) Execution Complexity	Project Management/ Expertise	<ul style="list-style-type: none"> <li>Is there a robust implementation strategy/plan covering risk management, budget and schedule?</li> <li>Has the use of bespoke solutions been sufficiently interrogated for value for money?</li> <li>Does the IA and other related entities have a documented track record of implementing challenging projects in short time frames?</li> <li>Does the IA have a database of projects with key data captured for review and analysis?</li> <li>How is institutional knowledge about past and current projects stored and used by the IA?</li> <li>Is there a wide project scope or challenging objectives that will only be achievable through external support? Is the development or use of a large number of specialist disciplines and skills required? Has the balance between insourcing and outsourcing resource been investigated?</li> </ul>	<ul style="list-style-type: none"> <li><input type="checkbox"/> there are no information systems in place.</li> <li><input type="checkbox"/> project management is outsourced</li> <li><input type="checkbox"/> there are no clear accountability for project management</li> <li><input type="checkbox"/> archiving system is outdated and not up to date</li> </ul>	<ul style="list-style-type: none"> <li><input type="checkbox"/> systems are in place however do not operate effectively</li> <li><input type="checkbox"/> the delivery unit is under staff or under qualified</li> <li><input type="checkbox"/> project management team are formed however in ad hoc manner / need basis</li> </ul>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Strong systems are in place to plan, implement and monitor projects</li> <li><input type="checkbox"/> there is a strong and capable delivery unit in place leading multiple complex projects in a programmatic manner</li> <li><input type="checkbox"/> information systems are connected and best practices constantly reviewed and integrated in new projects</li> <li><input type="checkbox"/> project management team reports to leadership</li> </ul>	1	2	<ul style="list-style-type: none"> <li><input type="checkbox"/> Enhanced project management capability (PMO) needs to be developed/ acquired.</li> <li><input type="checkbox"/> Market research/ engagement is required.</li> <li><input type="checkbox"/> Capacity Assessment is required.</li> </ul>

Understanding the Context		Assessing the Context				Scoring the Context		Planning Activities	
Organizational Arrangements	(Continue) Execution Complexity	Need for innovative/untested technology:	<ul style="list-style-type: none"> <li>Does the proposed project involve new or untested business practices or technologies?</li> <li>Has the market been sufficiently investigated?</li> <li>Has the IA flexibly respond to unexpected discipline and skill requirements?</li> <li>Does the IA have the budget flexibility required to respond to unexpected requirements?</li> </ul>	<ul style="list-style-type: none"> <li>lack of use of innovative technology</li> <li>weak implementation of current business practices</li> <li>no budget allocation to innovation and technology</li> </ul>	<ul style="list-style-type: none"> <li>slow and/or ad hoc implementation of new technology</li> <li>staff has limited access to innovation</li> <li>rigid budget and decision making processes supporting innovation</li> </ul>	<ul style="list-style-type: none"> <li>New technologies are easily embedded in current business practices with positive impact on service delivery</li> <li>best practices are regularly analyzed</li> <li>staff have allocated time for research and innovation activities</li> <li>fungible business and business practices</li> </ul>	1	1	<ul style="list-style-type: none"> <li>phased implementation of new technology</li> <li>enhanced budget and staff training allocated to innovation</li> <li>knowledge exchange activities</li> <li>review/introduce research and development policies/practices</li> </ul>



## Step 2 - Institutional Capability Assessment

Core Capability Area	Assessing Practice					Scoring		Planning Activities	Comments	
	Description	Key Areas	Guiding questions	Level 1	Level 2	Level 3	Self Assessment	Expert	Typical activity to support the development goal	Comments
Review the core capability areas and reflect on the importance for the achievement of the development goal.	Consider the evidence of good practice related to each of the core capability. Where good practice is lacking or questionable, describe the potential gap. Use the prompts provided.					Assess the context by evaluating the contextual situation against typical standards and inform scoring				
			Level 1 There are significant organizational challenges. Practices, processes and systems are outdated or immature.	Level 2 Some elements of good practice are being utilized. Systems and processes are appropriate for the current requirement but may not be sustainable	Level 3 There is an outcome focus and maximum value is achieved from the asset and external relationships			Examples of Suggested Actions		
<b>Policy Instruments</b> <b>Project Governance Arrangements</b> Effective project governance aligns projects to the overall organisational/development goals, ensures that the project fulfils its purpose and is effective, efficient and transparent. Good project governance clearly sets out decision-making responsibilities against an agreed statement of objectives providing the project team the autonomy to deliver.	<b>Objective Statement:</b> The Government has a clear vision for its development objectives	<ul style="list-style-type: none"> <li>Does the government have a clear vision ?</li> <li>Does the legal framework support development objectives ?</li> <li>Do governance arrangements support the project's development objectives?</li> </ul>	<input type="checkbox"/> Lack of a clear legal framework <input type="checkbox"/> Government lacks a clear vision	<input type="checkbox"/> The project/IA has a clear statement of objectives from Project Leaders but implementation is weak	<input type="checkbox"/> Adequate legal framework and clear vision that support government development objectives	3	2	<input type="checkbox"/> Strategy development Advisory services <input type="checkbox"/> Legal advisory services	<ul style="list-style-type: none"> <li>Clear objectives and no other responsibilities.</li> </ul>	

Core Capability Area		Assessing Practice				Scoring		Planning Activities	Comments	
Policy Instruments	(Continue) Project Governance Arrangements	<p><b>Formal Framework:</b></p> <p>The project/ Impelementing Agency has a formal governance framework that sets out decision-making and delegation of authority for project preparation and implementation.</p>	<ul style="list-style-type: none"> <li>Are the current governance arrangements/ framework effective? (system for delegation, process for decision-making/ change control)?</li> </ul>	<input type="checkbox"/> Unclear/ineffective governance arrangements.	<input type="checkbox"/> The project/ IA has a formal governance framework that sets out decision-making and delegation of authority.	<input type="checkbox"/> Governance arrangements provide clear accountability to sponsoring organization.	2	1	<input type="checkbox"/> Corporate governance assessment <input type="checkbox"/> Organizational design intervention <input type="checkbox"/> Accountability framework <input type="checkbox"/> Advise and coaching of Board members <input type="checkbox"/> Capacity assessment for Senior Management	
		<p><b>M&amp;E Framework:</b></p> <p>There is a robust monitoring and evaluation system.</p>	<ul style="list-style-type: none"> <li>Are there systems in place for data collection?</li> <li>Do reporting and accountability mechanisms need to be revised?</li> <li>Is there coordinated assurance?</li> </ul>	<input type="checkbox"/> A lack of devolved responsibility and diffuse accountability.	<input type="checkbox"/> There is a functioning monitoring and evaluation system but inefficiencies exist.	<input type="checkbox"/> There is a robust M&E system which is able to establish appropriate targets for success.	2	2	<input type="checkbox"/> Develop M&E framework <input type="checkbox"/> Develop Key Performance Indicators <input type="checkbox"/> Training	<ul style="list-style-type: none"> <li>Too much administration when submitting the forms for reimbursement</li> </ul>
Organisational Arrangements	<p><b>Human Resources</b></p> <p>Strategic Human Resources management are aligned to the overall project objectives and subsequent development goals. It supports professional, effective and transparent management practices that will enforce accountability and commitment of leaders to change.</p> <p>Good HR policies and practices create a positive work ethics and help management attract, develop and motivate staff to achieve results and deliver qualitative services to the public.</p>	<p><b>Staffing:</b></p> <p>The project is adequately staffed (quantity and quality)</p>	<ul style="list-style-type: none"> <li>Is there a staffing/ recruitment policy based on competency and business needs in place?</li> <li>Are staffing processes transparent?</li> </ul>	<input type="checkbox"/> Weak/no link between recruitments and business needs <input type="checkbox"/> recruitment gaps	<input type="checkbox"/> Established link between recruitment and business needs but weak/no transparency in the process	<input type="checkbox"/> There are clear and complete strategic staffing plan in place and aligned with organisation incl. job descriptions and business needs	1	1	<input type="checkbox"/> Develop strategic staffing plans <input type="checkbox"/> Institutional development assessment <input type="checkbox"/> Competency gap assessment	<ul style="list-style-type: none"> <li>Vacancies will be fulfilled</li> <li>There is enough manpower. Need to hire youth aging population and to respond to the extend of the works. The gap in Junior Engineer and Assistant Engineers. Aging of the population creates less availability of HR.</li> </ul>

	Core Capability Area		Assessing Practice				Scoring		Planning Activities	Comments
	Description	Key Areas	Guiding questions	Level 1	Level 2	Level 3			Examples of Suggested Actions	
Organisational Arrangements	(Continue) Human Resources	<p><b>Policies:</b></p> <p>The project/ Impelementing Agency has a set of procedures, policies and practices that supports results and recognition of results. Staffing decisions are made based on objective and transparent criteria.</p>	<ul style="list-style-type: none"> <li>• Are procedures and policies communicated and applied in a consistent manner?</li> <li>• How is this tracked and recorded?</li> <li>• Is management accountable for good HR decisions and strategies?</li> </ul>	<input type="checkbox"/> Weak implementation of staffing policies and no accountability in HR decisions and strategies	<input type="checkbox"/> R policies are implemented but Management lacks accountability on HR decisions and strategies	<input type="checkbox"/> Full transparency in the implementation of policies and procedures and Management is accountable to HR decisions	1	1	<input type="checkbox"/> Functional review <input type="checkbox"/> Legal framework advisory services <input type="checkbox"/> Management training <input type="checkbox"/> Professionalization of HR personnel <input type="checkbox"/> Creation / modernization of HR unit	<ul style="list-style-type: none"> <li>• There is no autonomous authority to recruit. The confusion has been resolved and the recruitment will be able to proceed</li> <li>• Organization set up needs to be filled at 80% of the time all the time. Lack of incentives to join the new entity even if it is a prestigious project. Link between field engineer and college. there is a considerable budget for. Need for a human resources department to help engineers. Need for design wing in PWD on innovation to generate revenue that could be redistributed to the engineer who developed as an incentive scheme.</li> </ul>

Core Capability Area		Assessing Practice				Scoring		Planning Activities	Comments	
Description	Key Areas	Guiding questions	Level 1	Level 2	Level 3			Examples of Suggested Actions		
Organisational Arrangements	<b>(Continue) Human Resources</b>	<b>Training:</b> There is a competency based training plan in place. It is adequately budgeted and funded, regularly monitored and updated.	<ul style="list-style-type: none"> <li>Is the Training plan/policy communicated to staff individually?</li> <li>Are staff competencies measured as an outcome of the training plan?</li> </ul>	<input type="checkbox"/> Ad hoc/no training plan for staff	<input type="checkbox"/> Training plans exist but implementation is weak or inadequate funding	<input type="checkbox"/> Training plans are fully funded and monitored/Full transparency in the implementation of training plans	2	1	<input type="checkbox"/> Competency based learning analysis <input type="checkbox"/> Training systems and procedures <input type="checkbox"/> Budget review <input type="checkbox"/> Learning center <input type="checkbox"/> Establish a learning function <input type="checkbox"/> Knowledge exchange	<ul style="list-style-type: none"> <li>Training cell within PWD design and delivery of training + external agencies and calendars are kept. PWD has budget for training. There is no culture of learning in PWD. Technical training is needed. Professional expertise is not followed. Interest of the organization. Association of Engineers. Weekly seminars technologies and innovation in collaboration with Chief Engineers - external organization funds their technology. International knowledge exchanges are happening.</li> </ul>
	<b>Environment and Social</b>	<b>Procedures and processes:</b> The implementing Agency has a set of procedures, policies and an framework in place that supports land acquisition, resettlements etc..	<ul style="list-style-type: none"> <li>Are there robust procedures for land acquisition, social safeguards?</li> <li>Is there a comprehensive operations manual that is regularly updated?</li> <li>Are there robust procedures and framework for environmental safeguards?</li> </ul>	<input type="checkbox"/> Weak to no implementation of social and environmental safeguards policies and procedures	<input type="checkbox"/> Social and environmental policies are in place and being implemented but processes are cumbersome and inefficient	<input type="checkbox"/> Implementation of Social and Environmental policies and procedures are fully transparent and there is a sound accountability to users	2	1	<input type="checkbox"/> Social and environment assessment <input type="checkbox"/> Social and environment unit <input type="checkbox"/> Training for staff and management <input type="checkbox"/> Communication strategy / plan <input type="checkbox"/> Citizen engagement activities	<ul style="list-style-type: none"> <li>No direct interventions but going through political channels</li> <li>There is limited influence by PWD. But it depends on political will and decision. Not enough training for contractors. No need for supervisor staff. Implementation aspects are weak</li> </ul>

Core Capability Area		Assessing Practice					Scoring		Planning Activities	Comments
Description	Key Areas	Guiding questions	Level 1	Level 2	Level 3			Examples of Suggested Actions		
<b>(Continue) Environment and Social</b>	<b>Labor:</b> The IA fully understands labor laws and implements them transparently	<ul style="list-style-type: none"> <li>Are labor laws implemented in a transparent and fairly?</li> <li>Are employment processes (contracts etc..) in the communities where roads are being built inclusive of community members?</li> <li>In the event of labor influx to a construction site how does the IA engage with the community?</li> </ul>	<input type="checkbox"/> weak implementation of labor laws and lack of inclusion of local communities	<input type="checkbox"/> Labor laws implementation processes are in place and local inclusion processes are weak	<input type="checkbox"/> Implementation of labor laws are advanced and fully transparent to contractors and community members	2	1	<input type="checkbox"/> Legal advisory services <input type="checkbox"/> Labor inspection <input type="checkbox"/> Citizen engagement activities <input type="checkbox"/> Communication and engagement activities <input type="checkbox"/> Townhalls <input type="checkbox"/> Revision of labor and security policies <input type="checkbox"/> Security training and awareness campaigns	<ul style="list-style-type: none"> <li>not much work has been done since 2013</li> <li>Not much training and awareness of the new procedure beyond PPP division</li> <li>Need to hire specialized skills level of awareness for engineers and deep specialised skills for implementation</li> <li>Post has been created but not hired.</li> </ul>	
	<b>Road Safety:</b> The IA has adequate resources (human and financial) to address road safety reporting issues as well as manage traffic enforcement	<ul style="list-style-type: none"> <li>Are there sufficient resources (human and financial) to manage roads safety reporting?</li> <li>Is there a process to report safety issues? Is it effective?</li> <li>Have line management arrangements considered any improvements?</li> </ul>	<input type="checkbox"/> Insufficient resources allocation to manage reporting <input type="checkbox"/> Weak to fragmented arrangement on Road safet and traffic reporting	<input type="checkbox"/> Institutional arrangements is in place but inefficiency in implementation exist	<input type="checkbox"/> Insttutional arrangements and internal processes function optimally to improve Road safety reporting and traffic enforcement	1	1	<input type="checkbox"/> Establish function <input type="checkbox"/> Full road security assessment <input type="checkbox"/> Workshops and seminars <input type="checkbox"/> Engagement campaign and stakeholders reviews	<ul style="list-style-type: none"> <li>Training on road safety have been developped and next year additional batches of people are proposed for training. Road safety is not a big issue because it depends on behaviors of the public. There has been a lot of development in the past 4 to 5 years especially in raising awareness. IN PWD there are trained staff</li> <li>Provision of consultant but there is no recruitment</li> <li>No awareness -&gt; huge change management</li> <li>Need ot have more training to the consessioners. No follow up after design stage.</li> </ul>	

Core Capability Area		Assessing Practice					Scoring		Planning Activities	Comments
Description	Key Areas	Guiding questions	Level 1	Level 2	Level 3			Examples of Suggested Actions		
			<b>Asset Management Approach</b> Asset management is the provision and maintenance of services to customers. Good asset management utilises a system of assets to achieve an outcome.  This is founded on a robust, formalised approach to asset amangement that includes outcome performance measurement linked to customer expectations. Good asset management practice is evidenced by informed planning for capital delivery, network improvement and maintenance operations.	<b>Lifecycle planning:</b> There is a 'whole life' approach to asset management.	<ul style="list-style-type: none"> <li>Are new approaches to lifecycle planning, programmed maintenance and environmental management required?</li> </ul>					<input type="checkbox"/> Poor decision making undermines asset management.
<b>Quality of information:</b> There is good quality asset information to support decision-making.	<ul style="list-style-type: none"> <li>Is there outcome performance monitoring?</li> <li>Is customer engagement, asset condition surveys, asset performance monitoring required?</li> <li>Does the IA have the information to challenge specialist requirements? Are the required information management systems established?</li> <li>Is the IA focused on policy translation and risk-based prioritization? Is outcome performance monitoring linked to customer expectations?</li> </ul>	<input type="checkbox"/> No appropriate asset information		<input type="checkbox"/> There is a fair quality analysis of asset information..	<input type="checkbox"/> There is an understanding of and application of whole life cost and environment management principles.	1	1		<ul style="list-style-type: none"> <li>Every now and then there is a circular but there is no monitoring.</li> <li>No self discipline in following through</li> </ul>	
<b>Network planning:</b> There is adequate planning for network improvement and maintenance operations	<ul style="list-style-type: none"> <li>Is there an operational readiness plan?</li> <li>Are there funds to sustain operating costs?</li> </ul>	<input type="checkbox"/> Limited application of modern planning for network improvement and maintenance operations		<input type="checkbox"/> There is a fair planning for network improvement and maintenance operations	<input type="checkbox"/> Strategic use of data.	1	1			

Organisational Arrangements

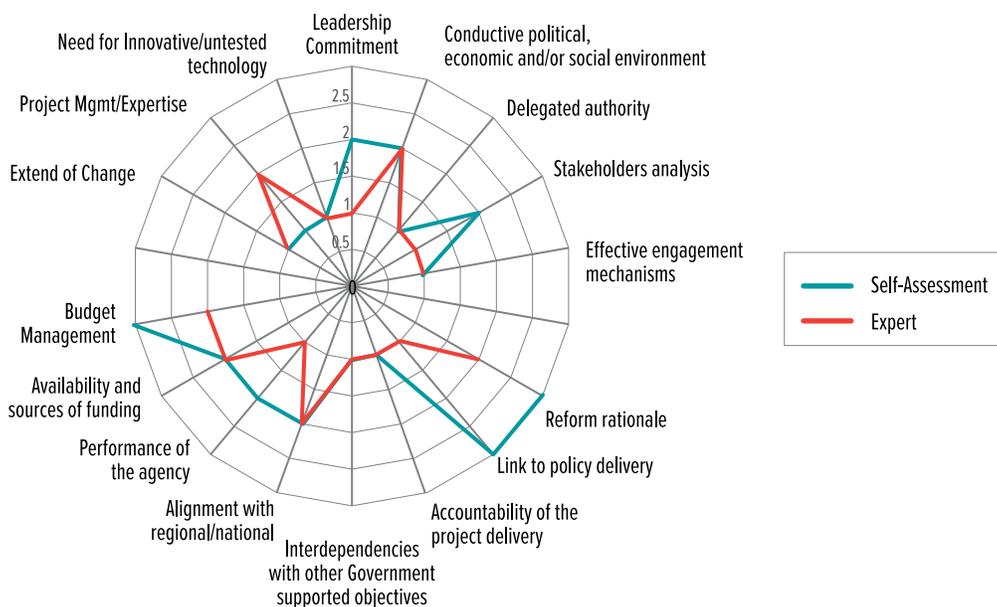
	Core Capability Area		Assessing Practice			Scoring		Planning Activities	Comments	
	Description	Key Areas	Guiding questions	Level 1	Level 2	Level 3		Examples of Suggested Actions		
Organisational Arrangements	<b>Business and Fiduciary Processes and Practices</b> Application of modern industry/business practices is critical to sustainable development.	<b>Fiduciary Capabilities (FM and Procurement):</b> The Implementing Agency has strong project delivery capability.	<ul style="list-style-type: none"> <li>Does the IA have the capability to plan and supervise/coordinate activities (financial management, procurement capability)?</li> <li>Have project management and risk management arrangements been considered?</li> <li>Is there a defined set of activities accompanied by a budget, timeline, and assigned personnel?</li> <li>Has the distribution of in-house/external resource been considered?</li> </ul>	<input type="checkbox"/> Processes, systems and technology do not support effective delivery <input type="checkbox"/> Absence of the required specializations and High staff turnover.	<input type="checkbox"/> Processes and systems are fairly in place but delivery capability remains weak <input type="checkbox"/> Limited staff specialization and cumbersome external resources availability	<input type="checkbox"/> Effectively balances in-house and external resource <input type="checkbox"/> The IA has strong project delivery capability	2	2		<ul style="list-style-type: none"> <li>IMFS Systems are developed and budget allocations. Procurement through e-procurement</li> <li>Fully transparent and website. There will be a need for training with the right level of incentives.</li> </ul>
		<b>Key functions and Systems:</b> To support the development goal have been identified and resourced. The Implementing Agency has strong Implementation procedures.	<ul style="list-style-type: none"> <li>Are there adequate systems and procedures for: Procurement, Financial Management, Contract Management, Road Safety Management, Environmental and Social Safeguards?</li> <li>Are there existing solutions that could be leveraged? Have line management arrangements for implementation been considered? Is there a comprehensive operations manual that is regularly updated?</li> </ul>	<input type="checkbox"/> No or incomplete Operational manual is in place or implementation is not up to date/effective.	<input type="checkbox"/> Processes and systems (including Operations Manual) have been established but implementation is weak <input type="checkbox"/> Limited staff capacity and no improvement from Management has been considered	<input type="checkbox"/> Application of modern industry/business practices <input type="checkbox"/> The core processes and systems meet current and future project delivery needs	2	2		

	Core Capability Area		Assessing Practice				Scoring		Planning Activities	Comments
	Description	Key Areas	Guiding questions	Level 1	Level 2	Level 3			Examples of Suggested Actions	
Organisational Arrangements	(Continue) Business and Fiduciary Processes and Practices	<p><b>Market understanding:</b></p> <p>The market related to the achievement of the development objectives is well understood.</p>	<ul style="list-style-type: none"> <li>How will supplier quality be ensured?</li> <li>Have appropriate measurement, metrics and targets been established?</li> <li>Is there a plan for achieving increased value from the competition process?</li> <li>Is there a well-defined packaging strategy? How will the market be incentivized?</li> </ul>	<input type="checkbox"/> Limited understanding of actual market capacity, capability or appetite.	<input type="checkbox"/> The market related to the achievement of the development objective is understood but engagement with the market is weak	<input type="checkbox"/> Clear understanding of the market and rules and procedures of engagement <input type="checkbox"/> Leverages international suppliers for continuous improvement.	2	2		

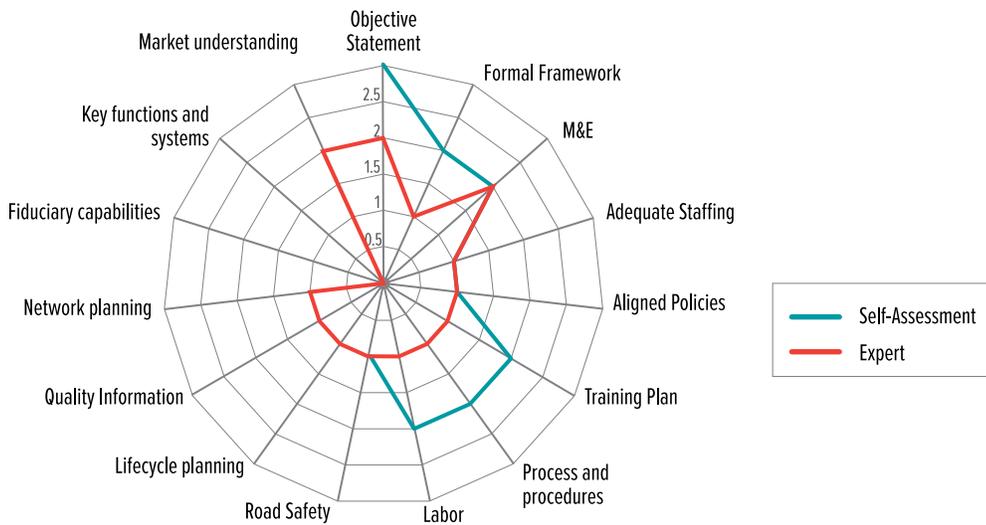


## Step 4 - IDRT Scoring Tool Card

Contextual Assessment			
		Self-Assessment	Expert
<b>Socio-Political</b>			
Stability of the Environment	Leadership Commitment	2	1
	Conducive political, economic, and/or social environment	2	2
	Delegated Authority	1	1
Stakeholders and influencers	Stakeholders analysis	2	1
	Effective engagement mechanisms	1	1
<b>Policy Instruments</b>			
Strategic Importance of the Project	Reform rationale	3	2
	Link to policy delivery	3	1
	Accountability of the project delivery	1	1
Alignment of Objectives	Interdependencies with other Government supported objectives	1	1
	Alignment with regional / national strategy	2	2
	Performance of the agency	2	1
Financial viability	Availability and sources of Funding	2	2
	Budget Management	3	2
<b>Organizational Arrangements</b>			
Execution Complexity	Extend of Change	1	1
	Project Management/Expertise	1	2
	Need for innovative/ untested technology:	1	1



		Capability Assessment		
			Self-Assessment	Assessors
Policy Inst.	Governance Arrangements	Objective Statement	3	2
		Formal Framework	2	1
		M&E	2	2
Organisational Arrangements	Human Resources	Adequate Staffing	1	1
		Aligned Policies	1	1
		Training Plan	2	1
	Environment and Social	Process and procedures	2	1
		Labor	2	1
		Road Safety	1	1
	Asset Management Approach	Lifecycle planning	1	1
		Quality Information	1	1
		Network planning	1	1
	Business Practice and Implementation Procedure	Fiduciary capabilities	0	0
		Key Functions and systems	0	0
		Market understanding	2	2





## Step 4 - Monitoring and Evaluation

<b>Project Name</b>	Rajasthan State Highways Development Program (RSHDP)	<b>Date</b>	April 2018
<b>Country / State</b>	India	<b>TTL</b>	Mesfin Wodajo Jijo
<b>Sector</b>	Roads	<b>Expert</b>	Radia Benamghar
<b>NEW Project Development Objective (PDO), including ID</b>			
The PDO is to build capacity for better management of state highways and to improve traffic flows on selected state highways in the state of Rajasthan.			
<b>ID Key Results</b>			
PDO indicator: <ul style="list-style-type: none"><li>• RSHA is operational, efficient and effective</li></ul> Suggested intermediate results indicators: <ul style="list-style-type: none"><li>• %tage of technical staff trained that are using asset management tools</li><li>• %tage of staff position filled (technical and management)</li><li>• Number of citizen engagement activities completed</li><li>• Number of contracts awarded within [...] by the newly formed fiduciary cell</li><li>• %tage of private sector investment in the State Authority Fund</li><li>• Availability of the long-term investment plan to the public</li><li>• Number of RSHA units with published and measured performance plans</li></ul>			



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**RADIA BENAMGHAR**  
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