

# Beyond Barriers

## SOMALIA CONTEXT REPORT



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**September 2024**

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This report is made possible by the generous support of the American people through the United States Agency for International Development (USAID). The contents are the responsibility of Concern Worldwide and do not necessarily reflect the views of USAID or the United States Government. The report reflects the views and perspectives of the research participants, not those of Concern Worldwide and its research partners.

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# ACRONYMS

BHA	<b>Bureau for Humanitarian Assistance</b>
CBO	<b>Community-Based Organization</b>
CBPF	<b>Country-Based Pooled Funds</b>
FGD	<b>Focus Group Discussion</b>
HNRP	<b>Humanitarian Needs and Response Plan</b>
IASC	<b>Inter-Agency Standing Committee</b>
ICR	<b>Indirect Cost Recovery</b>
IDP	<b>Internally Displaced Person</b>
INGO	<b>International Non-governmental Organization</b>
KII	<b>Key Informant Interview</b>
LNGO	<b>Local Non-governmental Organization</b>
L/NNGO	<b>Local/National Non-governmental Organization</b>
NGO	<b>Non-governmental Organization</b>
NNGO	<b>National Non-governmental Organization</b>
SHF	<b>Somalia Humanitarian Fund</b>
SNC	<b>Somalia NGO Consortium</b>
UN	<b>United Nations</b>
USAID	<b>United States Agency for International Development</b>





# EXECUTIVE SUMMARY

Photo: Mustafa Saeed/Concern Worldwide

The conversation on localization of humanitarian aid, accelerated by the World Humanitarian Summit and the Grand Bargain in 2016, has been widespread and championed, yet systemic shift toward a more locally-led response has been minimal. The Beyond Barriers project, led by Concern Worldwide in partnership with local researchers and with funding from USAID’s Bureau for Humanitarian Assistance (BHA), was undertaken with the intent to diagnose the enduring barriers to localization and propose actionable and operational solutions.

The Beyond Barriers project covered five contexts (Malawi, Bangladesh, Northwest Syria, the Democratic Republic of the Congo, and Somalia) and consisted of a mixed methods approach to data collection, including stakeholder workshops, key informant interviews (KII) and focus group discussions (FGD). This report covers the results of the study in Somalia.

## Country Context

Ongoing conflict, climate-related shocks, communicable disease outbreaks, and weak social protection mechanisms characterize Somalia's prolonged humanitarian crisis. Somalia has experienced conflict since the onset of the Somali Civil War in the late 1980s/early 1990s. Armed conflict has continued to the present day, albeit at differing intensity levels over the years.

Severe drought has gripped most parts of the country, illustrated by a deteriorating food crisis following consecutive seasons of poor rainfall and low water levels, which led to near-total crop failures and reduced employment opportunities. The 2024 [Somalia Humanitarian Needs and Response Plan \(HNRP\)](#) requires US\$1.6 billion to assist 5.2 million people. The plan is highly targeted, focusing on areas with high need severity. This has led to a 32 percent decrease in the number of people targeted and a 40 percent reduction in financial requirements compared to 2023. 10 of 74 districts have been prioritized from January to March 2024, focusing on emergency response in the districts most affected by flooding in 2023. Climate change poses an existential threat due to its dependent relationship with the environment and resources.

## Power in Partnership

Research participants considered donors and the UN to hold the most power in the current humanitarian system in Somalia with communities and local actors holding the least. When asked what their ideal distribution of power would be, participants expressed a preference for the inverse of the current status quo, expressing a desire for the Somali government to hold the most power in leading humanitarian responses.

While large imbalances exist between L/NNGOs and international entities, all stakeholders also noted major power imbalances within/between local organizations and cited concerns that localization efforts in Somalia frequently benefit a handful of major L/NNGOs at the expense of smaller organizations. The complex political environment in Somalia, as well as clan affiliations, further complicate these dynamics.

Stakeholders agree that most partnerships between local and international humanitarian actors in Somalia are not equitable, particularly given the tendency to include L/NNGOs in projects as subcontractors. INGOs reported some initiatives they are implementing to build more equitable partnerships, including building relationships outside of project cycles to ensure long-term engagement; providing accompaniment to local partners with the goal of helping them become more independent; and supporting L/NNGOs in accessing funding.

Lack of trust was observed to be widespread among all different actors in Somalia's humanitarian system and poses a significant barrier to localization. All stakeholders noted a lack of trust on the part of donors and international actors with regards to the capacity of L/NNGOs.

L/NNGOs suggested that one of the best methods of improving equity in partnerships is having transparent discussions about partnership parameters from the onset to guarantee that all parties have appropriate expectations. On the part of communities, demonstrating an effort and willingness to understand actual community needs was seen as an effective way to build trust.

Risk perceptions of humanitarian work in Somalia are very high and include a wide range of risks related to security, finances, reputational risk, and even aid diversion. Because physical security risks are significant in Somalia, international actors often limit their movements, leaving L/NNGOs responsible for operating in the most insecure areas. While global actors are typically the most concerned about financial risks, it was observed that L/NNGOs ultimately face disproportionate consequences for economic issues, as being suspected of fraud could be an existential threat to a local organization.

Risk sharing has been proposed as a solution to some of these challenges in Somalia, but many international actors are reluctant to accept more risk. Communities recognized the role that international organizations can play in helping to ensure accountability and avoid corruption in local aid delivery.

## Funding

The current funding models for humanitarian work in Somalia pose a major challenge to localization. Direct funding of L/NNGOs in Somalia is very rare, with only one donor interviewed for the project reporting that they directly fund local actors. Concerns over risk and due diligence, together with a preference for awarding larger grants are among the reasons preventing donors from funding L/NNGOs directly. Physical access constraints due to the security situation were raised as a barrier by all stakeholders. L/NNGOs have access constraints to humanitarian hubs and find it difficult to access information on funding opportunities. Similarly, donors conceded that they could not frequently meet with new organizations.

One of the chief concerns related to funding for L/NNGOs is the short-term, project-based nature of this funding. Donors and UN agencies pointed out that this is driven by the frequently changing and complex context in Somalia, requiring planning to be done year-by-year instead of long-term. Nonetheless, it poses major challenges to the sustainability of L/NNGOs who need funding to sustain themselves outside of project cycles.

Funding through intermediaries is the primary source of funding for L/NNGOs in the current system. Stakeholders described a spectrum in terms of the quality of this funding, ranging from sub-contractual relationships where L/NNGOs have limited power to consortium models where L/NNGOs have much more influence. Co-creation and design of projects is seen as an opportunity to make intermediary funding more equitable.

Consortium approaches have provided opportunities for L/NNGOs to have more power and influence as partners. Certain donors indicated their preference for this model, as it enables them to fund a smaller number of large grants.



For their part, L/NNGOs note that they can access multi-year and more flexible funding through consortia. Stakeholders noted some resistance to consortia and the growing role of L/NNGOs within them on the part of INGOs.

Stakeholders discussed the provision of Indirect Cost Recovery (ICR) within the current funding models in Somalia as a driver of advancing local response efforts. L/NNGOs report that adequate ICR is critical for sustaining their organizations and implementing a range of activities necessary for strong administrative functioning. However, L/NNGOs need more ability to negotiate ICR with international partners. The sharing of ICR is encouraged by donors, but their financial guidelines have not kept pace with the rhetoric. There is considerable divergence in terms of eligibility of partner ICR costs amongst the donors. This situation has led to L/NNGOs calling on donors to make it a requirement for international actors to share ICR with their partners.

Pooled fund mechanisms are seen by many as having a positive impact on localization. Specifically, the UN Country-Based Pooled Funds (CBPF) and the Somalia Humanitarian Fund (SHF) were widely discussed in the research. The SHF is the most successful CBPF globally in funding L/NNGOs directly, with more than two-thirds of its funds going to L/NNGOs. However, the SHF represents a very small proportion of Somalia's humanitarian funding. While L/NNGOs report being happy to receive direct funding through the SHF, they also report many challenges, including strict eligibility criteria that is difficult for many L/NNGOs to meet, as well as limited overhead funding.

Compliance-related requirements pose a significant burden to L/NNGOs and a barrier to accessing funding. This is compounded by the variety of requirements by donors. Efforts have been made towards reducing this burden on L/NNGOs, through the development of a harmonized capacity assessment tool. However, challenges remain with the operationalization of this tool.

## Human Resources

The perceived low capacity of L/NNGOs is a major barrier to localization in Somalia. Stakeholders noted that there is not a common understanding of what truly constitutes an organization with full “capacity”. L/NNGOs are seen as having significant capacity in terms of their knowledge of and proximity to affected communities. Their capacity is perceived to be weaker in terms of organizational administration and financial management.

While capacity strengthening is seen as important by most stakeholders, the research highlighted many issues with existing capacity strengthening offerings in Somalia, with L/NNGOs citing this as a barrier to localization. Stakeholders suggested that longer-term training would be helpful, as well as other resources such as funding to attend meetings and embedding technical staff to support project implementation.



The research revealed a host of challenges faced by L/NNGOs related to recruitment and retention of staff, namely an overall lack of qualified staff and inadequate resources for paying and retaining qualified staff. Nepotism was cited as a significant issue in Somalia, which can worsen these issues by favoring personal connections over more qualified or skilled candidates in hiring processes, ultimately harming organizational capacity.

Salary discrepancies between local and international organizations are a primary driver of retention issues and the tendency for staff to be recruited from local to international entities. There is also a major discrepancy in the security benefits in local organizations when compared to their international counterparts; this is seen as another driver of retention challenges among L/NNGOs.

Capacity challenges related to language can be observed with both local and international actors; the use of English in the sector is seen to hamper some L/NNGOs, while donor and INGO staff often do not possess skills in local languages, leading them to require proposals in English. Language skills also differentiate L/NNGOs, with larger organizations typically possessing English skills that smaller L/NNGOs and community-based organizations (CBOs) do not. Stakeholders recognized the need to ensure the latter organizations are able to access important meetings and forums equally.



Photo: Mustafa Saeed/Concern Worldwide

# Introduction

Affected communities have always been the first to respond to the crises they face. Despite this truth, resources, and decision-making are funneled through international bureaucracies and systems. While communities and activists have long pushed for a shift in the humanitarian aid system towards a more locally-led response, the World Humanitarian Summit and the Grand Bargain in 2016 brought localization to the global policy stage, with a push for a humanitarian response that was “as local as possible, as international as necessary.” Since this commitment, the global system has continued to voice support for a move to a more locally-led humanitarian response, but policy, funding, and behavior change remain minimal.

The Beyond Barriers project, led by Concern Worldwide in partnership with local researchers and with funding from USAID’s Bureau for Humanitarian Assistance (BHA), was undertaken with the intent to diagnose the enduring barriers to localization and propose actionable and operational solutions. With an aim to focus on operational solutions, the study focused on three core areas: funding, human resources, and power dynamics in partnership. The study was conducted in five study contexts (Malawi, Bangladesh, NW Syria, Somalia, and DRC) and comprises qualitative and quantitative methods.

The conversation on localization has been robust, and many researchers have worked to define what localization is, which actors can be defined as “local,” and how localization can be practically implemented. A clear distinction between localization – shifting power and resources to local and national actors – and locally-led responses – shifting power and resources to affected communities has emerged from the literature. This report will attempt to speak to both sides of the local coin, with a focus on amplifying the role of local and national actors in humanitarian response while also ensuring accountability to affected communities in the program design and implementation process.

Localization is a profoundly contextual issue, and thus requires a focused geographic lens. The following report outlines the findings from the research conducted in Somalia. The report will begin by providing an outline of the humanitarian context, system, and policies and governance in Somalia. The key research findings for the three core pillars – Funding, Human Resource, and Power in Partnership will follow, highlighting major areas of consensus and divergence among stakeholder groups that participated in the research. Finally, the report will conclude with operational recommendations for a range of stakeholders to take meaningful steps toward a more locally-led response.

# Methodology

The research was divided into three key phases. In Phase I, research was conducted in each of the five study contexts in partnership with research partners. Research activities included a one-day stakeholder workshop, key informant interviews, and focus group discussions. Interviews and focus group discussions were undertaken in Mogadishu and with affected community members and community-based organizations in Baidoa.

## ***Stakeholder Workshop***

The stakeholder workshop in Mogadishu brought together practitioners from local and national NGOs (L/NNGOs), international NGOs (INGOs), and UN agencies. During these workshops, participants discussed key issues related to localization of humanitarian response in the context, the power dynamics in the sector, and proposed operational solutions to these barriers. Data was collected via a survey tool and written worksheets.

## ***Key Informant Interviews***

The research carried out key informant interviews with targeted personnel from donor organizations, UN Agencies, international non-governmental organizations; national non-governmental organizations; local non-governmental organizations, community-based organizations; government agencies and local community leaders.

There was a total of 63 key informant interviews conducted, which were semi-structured and qualitative in nature. The key informants were purposefully selected to represent a wide variety of stakeholder groups. The informants chosen for this study are not necessarily representative of the population of Somalia but are representative of the community of respondents to humanitarian crises. The majority of the interviews were conducted in person, with some over Zoom or telephone. Interviews were conducted in English and Somali, with those in Somali translated into English. These conversations lasted an average of one hour and were recorded and transcribed using Sonix.ai with respondent permission.

## ***Focus Group Discussions***

Focus group discussions were carried out in Baidoa. The discussions targeted internally displaced persons (IDPs), community leaders, business representatives, traditional elders, women's groups and youth groups.

During Phase II of the project, an extensive data analysis process was conducted. The data analysis was carried out utilizing the Dedoose platform. Qualitative data was analyzed by the research team by categorizing the qualitative data from the research using both deductive and emergent codes. Quotes from the key informant interviews were closely reviewed and assigned a code related to a specific sub-theme of the research. These quotes were then further organized into stakeholder type, allowing stakeholder perspectives on each sub-theme to be compared.

Additionally, during Phase II, a Global Localization Survey was conducted to gather additional perspectives about barriers to the localization of humanitarian action and test some of the hypotheses generated during the qualitative stage of the study. This survey was provided in 12 languages to increase accessibility to humanitarian workers in different contexts.

Phase III focused on the development of operational tools to support humanitarian organizations in overcoming some of the most common funding and HR-related barriers to localization. These tools were co-created with the program's local research partners and revised with the guidance of Concern Worldwide's country teams.



Across all five study contexts, the Beyond Barriers project engaged 172 individuals in workshops, conducted 293 key informant interviews, and conducted 23 focus group discussions with crisis-affected communities. Throughout the project, these activities engaged 110 L/NNGOs, 55 INGOs, 33 in-country donors, 28 UN agencies, 15 government entities, 55 community members or CBOs, and 19 other experts.

The findings presented in this report come directly from aggregate analysis of data collected by Concern Worldwide and New Access. All interviews were conducted with the assurance of anonymity, and the report ensures that this anonymity is respected. The report reflects the views and perspectives of the research participants, not of Concern Worldwide and New Access.

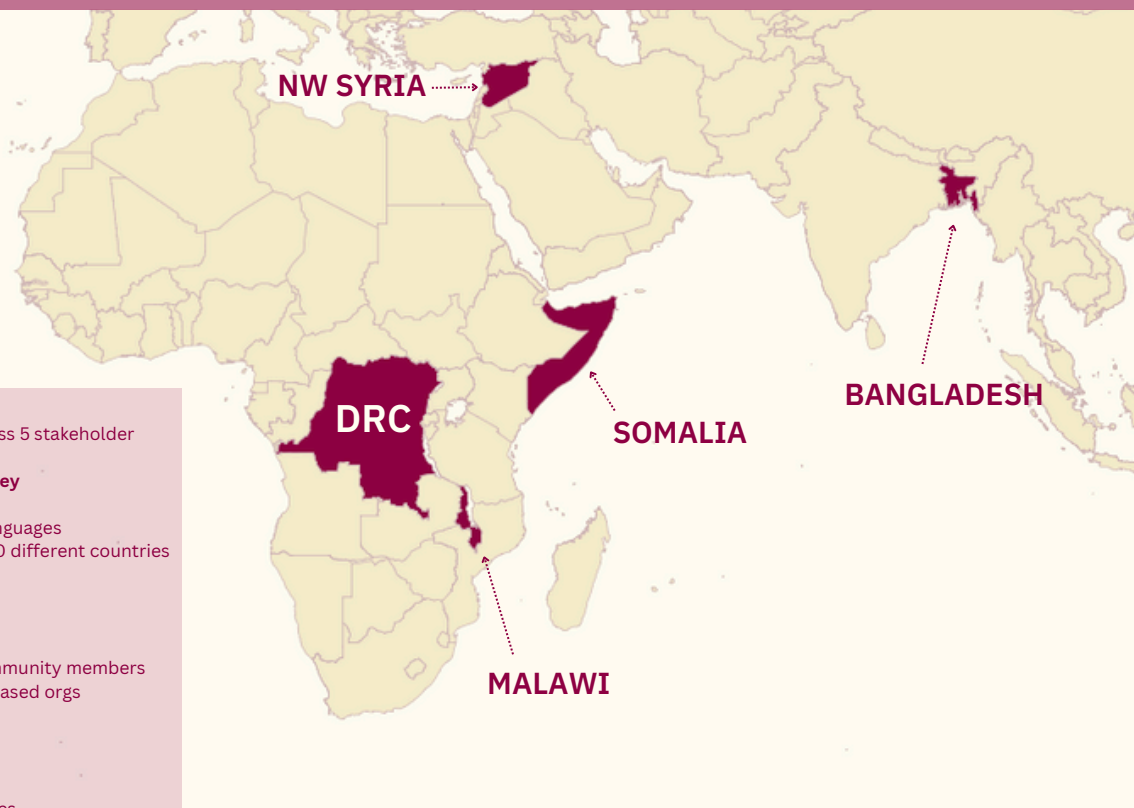
While the study sought to seek a diversity of voices from actors across the sector, the largest stakeholder group involved in the study are members of Local and National NGOs (L/NNGOs). As a result, this report best represents their opinions through attempting to share the experiences and standpoints of other stakeholders within the humanitarian system.

L/NNGOs are not a monolith, and the research project met with organizations that range in size, budget, mandate, and geography. This diversity of organizations was reflected in their different needs and challenges. Throughout this report, the term L/NNGO captures organizations founded and active in Somalia. Where it is necessary to distinguish, the type of L/NNGO is identified, such as 'National NGO (NNGO)' or 'Local NGO (LNGO).'

The international stakeholders involved in the research were in-country donors, UN Agencies, and INGOs. The term 'international actors' is used throughout the report as a catch all term for these stakeholders, where appropriate.



# Beyond Barriers Country Contexts

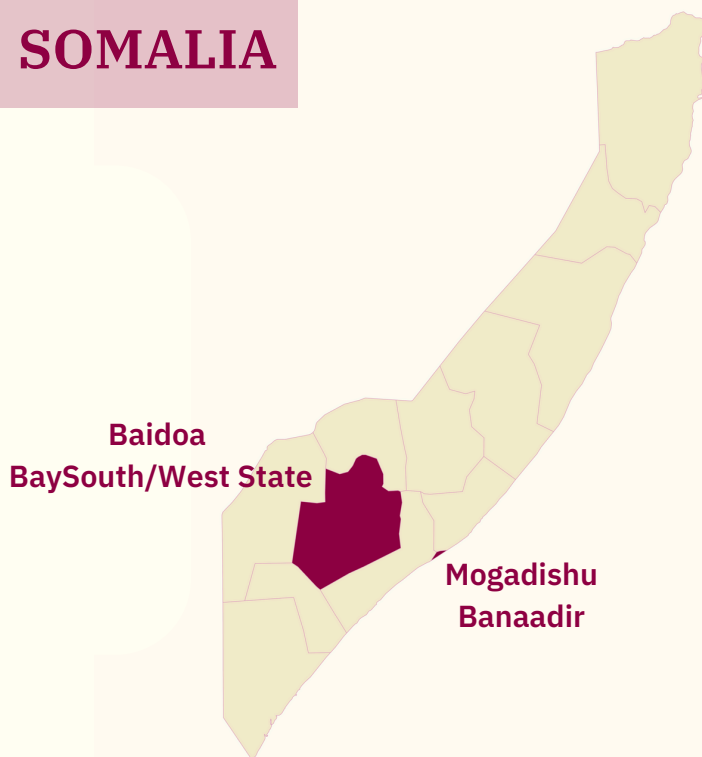


- **Workshops**
  - 172 participants across 5 stakeholder workshops
- **Global Localization Survey**
  - 811 respondents
  - Translated into 12 languages
  - Respondents from 60 different countries + 655 different orgs
- **Interviews**
  - 293 KIIs total
  - 34 FGDs total
    - 23 FGDs with community members and community based orgs
  - 110 L/NNGOs
  - 55 INGOs
  - 33 In-country donors
  - 28 UN agencies
  - 15 government entities
  - 55 community members
  - 19 other experts

## Interviews

- **10** Community KII
- **8** Community FGD
- **6** Donor
- **11** INGO
- **2** Local Government - KII
- **6** Other
- **20** L/NNGO
- **6** UN Agency

## SOMALIA



# Section 1 - Power in Partnership

The subject of power dynamics inherent in the humanitarian system is of critical importance to the topic of localization and highlights the relational and behavioral components of a shift to a more localized response. Further, power dynamics underpin all operational challenges, meaning that one cannot examine funding or human resource challenges without considering the impact of power dynamics.

To better understand the priorities of the actors in Somalia, workshop participants were asked what components of power in partnership were the most significant barriers. The following were the highest-ranked barriers in this category in the pre-workshop survey:

1. International actors prefer to conduct direct implementation.
2. Current partnerships between international and local actors are not equitable or complementary, including INGOs and donor agencies.
3. Lack of trust between international and local organizations.

The subject of power is immense, and highly contextual in nature. This section of the report aims to discuss the ways in which power manifests in the operational setting, with a particular focus on the roles of international and local actors, trust between these actors, the qualities of equitable partnership, and the management of risk in partnership.

## 1.1 Power Dynamics - A Bird's Eye View

### KEY POINTS:

- Research participants consider donors and the UN to hold the most power in the current humanitarian system in Somalia. Communities and local actors are perceived to have the least power
- Stakeholders would like to see the Somali government have more power in an ideal situation.
- L/NNGOs lack autonomy and decision-making power, with international organizations often dictating terms and project implementations.
- There is a perception among L/NNGOs that international actors prioritize their own agendas over the objectives of localization.
- There is a perception that INGOs and donors are resistant to change

The perceptions of where power in Somalia currently lies were in line with the other contexts of the research. Donors and the UN are perceived to hold the most power, with local actors and communities having the least. The Power Ideal is almost the inverse. However, what set Somalia apart from the other contexts was the desire to have the Government hold the most power. This was the only context in the research that placed the Government first.

Workshop participants provided several reasons for this. Firstly, they believed that the Government is inherently responsible for the welfare of its people and should, therefore, be in the lead. It is also important to align programs with national policies and development plans and that the Government is best placed to ensure coordination between humanitarian and development actors.

This disparity hinders the capacity of local actors to act independently and to respond effectively to humanitarian needs without external control. More explicitly, local actors often lack autonomy and decision-making power, with international organizations often dictating terms and project implementations.

Power imbalance in a complex system with many key actors is manifested in several ways.

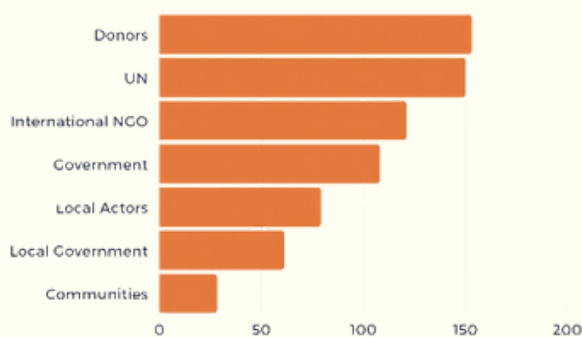
A natural knock-on effect of this power structure is the fact that funding favors INGOs and international agencies, leaving local actors with limited resources and limited voice.

The perception from local actors that international organizations and donors prioritize their own agendas over local needs was seen as a barrier to effective humanitarian response. Local actors also expressed a belief that international actors are resistant to change, which is a significant impediment to localization.

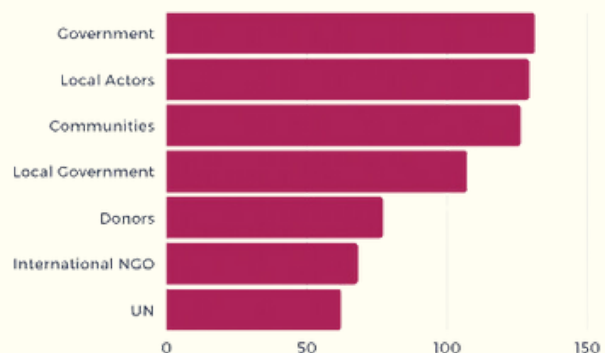
This can be seen on a higher level in terms of the long-term shifting of power within the system, as well as in shorter-term contexts. Local stakeholders mentioned donors' resistance to adapting to changing contexts and circumstances. LNNGOs expressed their frustration at the incapability of scaling up during sudden emergencies due to predetermined funds.

Sharing these concerns with partners and donors often met resistance, as they were reluctant to be flexible and adjust their approaches accordingly. This perceived resistance to change by international actors and donors was a recurring issue, creating difficulties for local actors on the ground who needed to respond effectively to the immediate needs of the community and ultimately undermining the responsiveness of aid.

### Power Now



### Power Ideal



## Coordination

The coordination mechanisms in Somalia are perceived to be in the control of international actors. UN Agencies chair all of the clusters, with no L/NNGOs as co-chairs. This leads to a sense that these structures are not giving space for Somali NGO voices. It was noted that L/NNGOs are co-chairing clusters at the district level but not at the national level.

Several international actors were of the view that having seats for L/NNGOs on structures, such as the Humanitarian Country Team, does not guarantee participation. Some claimed that local actors do not take full advantage of the space in clusters to speak up about their needs. However, there were concerns among L/NNGOs that doing so may negatively impact their funding prospects. They worry that openly addressing their weaknesses might jeopardize their funding opportunities.

There are also systemic barriers that prevent certain Somali NGOs to participate. As one INGO stated: “We use a lot of this language that is exclusionary, and the UN system is a nightmare for this, and we've got to be more inclusive.” The use of English in all coordination meetings is a barrier for some L/NNGOs. While many L/NNGOs are perfectly capable of participating in English, there are others that expressed a lack of confidence in putting forward their ideas in English. Organizations without an office in Mogadishu experience additional challenges to participating in these coordination bodies.

The Somalia NGO Consortium (SNC) represents the interests of INGOs and L/NNGOs. Somalia was the only context on this research project where there was no coordinating entity solely for L/NNGOs. Some called for the establishment of an entirely local platform, however, it was noted that competition between Somali NGOs was preventing more effective coordination.

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# Recommendations:

- International actors should be more mindful of power dynamics and ensure they are funding organizations who genuinely represent the community. The Beyond Barriers team has developed the [Locally-Led Funding Tracker Tool](#) and a series of case studies with examples from DRC, NW Syria, and Bangladesh, to support this aim.
- The establishment of a coordination body representing the views of only Somali NGOs could provide Somali NGOs with more collective voice.



## 1.2 Local Power Dynamics

### KEY POINTS:

- All stakeholders noted major power imbalances between local organizations. There are concerns that localization efforts in Somalia frequently benefit a handful of major L/NNGOs at the expense of smaller organizations.
- The complex political environment in Somalia, as well as clan affiliations, further complicate these dynamics.

In Somalia, it is important to recognize the power dynamics at play at the local and national level to understand the complexities of the barriers to localization. The diversity in the size and scale of the L/NNGOs in Somalia is vast and there are huge power imbalances between the large NNGOs who have access to international funding and those operational at the local level, who are not connected to the international system. The political dynamics and clan affiliations of L/NNGOs are further complicating the dynamics in Somalia. It is vital that international actors understand these dynamics and take them into consideration when attempting to advance localization.

There were concerns among all stakeholders that the current trend of practices with regard to localization in Somalia was benefiting a group of large L/NNGOs. Even in a local context such as Baidoa, a few major local NGOs receive the bulk of the funding, sidelining numerous capable smaller organizations. It was also observed that it is the L/NNGOs who already have resources, can attend coordination meetings, and have connections that get the attention of international actors. On the other hand, it is the L/NNGOs in the hard-to-reach areas, who often represent minorities and need the funding most, that struggle to have any influence on the humanitarian response.

The power imbalances within the local NGO ecosystem are therefore reinforced and perpetuated.

While the power these L/NNGOs have in the system is limited compared to other contexts, such as Bangladesh, international actors should take measures to ensure that they do not contribute to the power imbalance between L/NNGOs. Even in successful consortium models where L/NNGOs have been empowered, some stakeholders fear that this only favors the largest NNGOs in Somalia. One international interviewee observed that there is “this danger of replicating the gatekeeping aspect of international organizations, replicating that at a lower level.”

There were some examples where donors were proactively addressing this issue. One initiative required all partners to include at least one minority group organization in their consortium. However, it was also highlighted that this initiative was driven by one person in the donor agency, rather than something that had been adopted organizationally. Until there are organizational approaches to reach the smaller local NGOs, then these risks will persist.



“You don’t often find a climate specialist or a female-led local actor coming on board. The conventional local partners and big NGOs are pushing more, making it difficult for newer and more promising ones to come on board and challenge the status quo.”

INGO, Somalia

Some stakeholders believe that the large NNGOs in Somalia should play a key role in developing the smaller L/NNGOs. However, several stakeholders relayed challenges encountered in expecting such a role from these large NNGOs. One Consortium Manager highlighted that political complexities and alliances can hinder these efforts, impacting the intended objectives of initiatives designed to facilitate the graduation of smaller NGOs to receive direct funds.

Given the above complexities, together with the perpetual emergency status of the humanitarian response in Somalia, it is understandable that international actors may opt for the L/NNGOs who are ready to respond immediately.

However, stakeholders believe that international actors need to make it a requirement for the intermediary organizations that they must genuinely support and foster the growth of smaller local NGOs. Otherwise, they will perpetuate the power discrepancies and prevent the flourishing of smaller actors in the sector. One donor also expressed a need to change donor mindsets on compliance requirements, as these favor the L/NNGOs who have the resources and experience to comply. These organizations are often happy to agree to these requirements, as it allows them to maintain their concentration of power at the expense of the smaller L/NNGOs.

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## Recommendations:

- International actors should not default to partnering with only the largest L/NNGOs, but rather should seek out a variety of partners of different sizes, specialties, and geographies.
- The largest L/NNGOs should target their smaller counterparts with capacity sharing initiatives and partnership on program implementation to help them become more effective in their work and response.

## 1.3 Equal/Equitable Partnership

### KEY POINTS:

- Most partnerships between local and international humanitarian actors in Somalia are not equitable but sub-contractual.
- INGOs cite donor funding practices as a major obstacle to equitable partnership, while donors see it as the responsibility of an INGO or a UN Agency.
- Actions taken by INGOs to build more equitable partnerships include:
  - Building relationships outside of project cycles to ensure long-term engagement
  - Providing accompaniment to local partners with the goal of helping them become more independent
  - Supporting L/NNGOs in accessing funding.
  - Not competing with L/NNGO partners on certain funding opportunities
- For L/NNGOs, the most emphasized aspect of equitable partnerships is the ability to be involved in program design alongside international partners.

Implicit in all discussions in this research was a notable absence of equitable partnerships between international and local actors. L/NNGOs described being treated more as subcontractors than equal partners, limiting their potential for impact and growth. Decision-making is predominantly in the hands of international actors, leading to a further lack of autonomy for local organizations. This dynamic ultimately affects the relevance and effectiveness of humanitarian interventions, as they may not always align with the actual needs of local populations.

Donor views on their responsibility for this were mixed. One donor believed that equitable partnership “has to be an initiative from the international NGOs and the UN Agencies, for them [to look] at local partners as equal partners.”

Others “press” their international partners to ensure that the partnerships are equitable and include this as a metric that they measure. Ultimately, donors agreed that most partnerships are quite transactional and acknowledged that L/NNGOs are mostly treated as sub-contractors.

From the INGO perspective, many of them would like to move from the sub-contracting model to equitable partnership, but the reality of donor funding practices make it very difficult to do so. They have tried to develop relationships with partners outside of projects, but in the end, they have to fit project designs and budgets into donor requirements and priorities.

Another INGO agreed that donors were hindering their efforts to have equitable partnerships, firstly because of their risk aversion; he believes they prefer to have the INGO as prime and managing all the risk. Secondly, having equitable partnership, where ICR is shared and there is meaningful capacity sharing activities, will ultimately cost the donor more, according to an INGO respondent.

Another example provided by participants of inequitable partnership practices was international actors taking credit for work carried out by L/NNGO partners. In order to be implementing partners to INGOs, local actors take on significant risks and burdens related to community engagement. The fact that INGO intermediaries then often receive the credit for the work instead of the local entity underlines issues of fairness and recognition within partnerships between local and international entities.

Several INGOs gave examples of practices or initiatives that they are taking to achieve equitable partnerships. Forming strategic partnerships was mentioned by several INGOs as being key. Developing a joint long-term vision transcends the partnership from being merely project-based. This allows INGOs to be well-placed to apply once funding opportunities arise while also preparing L/NNGOs to apply for funding on their own. Other INGOs prioritized involving partners in decision-making and design meetings with donors.

One INGO stated that they have two types of partnerships - accompanied and bilateral. The accompanied partnerships require significant monitoring and guidance from the INGO, whereas the bilateral partners act independently. They also have an initiative, whereby they try to “graduate” the accompanied partners to bilateral partners.

One INGO has made a commitment not to compete with local partners for SHF funding; where if they believe their partner is well-placed, they will assist them to ensure that they have a successful grant application. The use of INGOs’ own funding to provide small grants to L/NNGOs to work on their management systems was another example of acting towards equitable partnership.

The views from L/NNGOs on the status of equitable partnerships were mixed. Unlike the other contexts of this research project, some L/NNGOs compared UN Agencies favorably to INGOs, when it came to involving them early in the process for partnership. One L/NNGO highlighted experiences where UN Agencies engaged them from the beginning, providing assistance with proposal writing and revisions. There is a perception, according to another L/NNGO, that UN agencies are more transparent in advertising and funding processes compared to INGOs, fostering a sense of partnership due to their involvement from the start to the end of a program.

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***“We got almost two partners that's not resource related. It's more about learning and engagement. But with the commitment that in case a funding opportunity or call comes in and then we could call apply and we'll go for it. But at this point of time, it's not resource related. We just exchange information updates.”***

*NNGO, Somalia*



However, not everyone shared these views. Concerns were raised among stakeholders about how the UN agencies approached localization. One INGO described it as “pushing the localization agenda without any real experience or expertise in how to do partnerships.” It was felt that they were approaching partnerships as “police inspectors.” It is also perceived that the UN Agencies are mostly concerned about getting money out to L/NNGOs, but not as interested in the holistic accompaniment model of offering capacity support, working on organizational structures, and ensuring that L/NNGOs have systems in place.

Other stakeholders pointed out that the UN tends to have partners for many years, but you do not observe the L/NNGO growing as their modality is mostly about service delivery. One UN representative admitted that UN agencies are not very good at including L/NNGOs and communities in program design, giving an example of latrines in IDP camps that are never used, but continue to be installed. However, the representative of a large UN Agency said that they see themselves as partners rather than donors and would like to strengthen the capacity of L/NNGOs to access funds directly.

The important components of equitable partnerships from the point of view of the L/NNGOs were involvement in program design, receiving support to develop organizationally, a “sharing” approach, having a common vision, and the objective that the L/NNGO will grow over the course of the partnership.

An example of an L/NNGO transformed through partnership was an anecdote of a partnership between an L/NNGO and INGO that began in 2011, where the L/NNGO received grants as an implementing partner.

These grants were provided on a consistent basis and also supported the L/NNGO’s organizational development. In 2018, the nature of the partnership changed, and the INGO supported the L/NNGO to become a member of a consortium the INGO was leading. This allowed the L/NNGO to have decision-making power in the consortium, direct access to the donor, and a deeper understanding of how the international humanitarian sector operates. The L/NNGO now receives very little funding from the INGO, as they have access to more opportunities.

Another L/NNGO spoke of how they are now in a position where they refuse partnerships with international organizations, that are fewer than two years in length. They want to ensure that their partnerships are strategic and will help them achieve their mission goals. It must be noted that the proportion of L/NNGOs who can adopt this stance is very low, due to the funding difficulties that have been described in Section 2.



Photo: Ed Ram/Concern Worldwide



# Recommendations:

- Donors should create the environment and conditions for partners to co-create and design projects together and require them to do this.
- The UN and INGOs should seek to cultivate relationships well in advance of submitting a grant proposal and support L/NNGOs outside grant agreements.
- UN and INGOs should be proactive in ensuring that L/NNGO partners understand all reporting and compliance requirements.



Photo: Ed Ram/Concern Worldwide

## 1.4 Trust

### KEY POINTS:

- Lack of trust was observed to be widespread among all different actors in Somalia's humanitarian system and poses a significant barrier to localization.
- All stakeholders noted a lack of trust on the part of donors and international actors regarding the capacity of L/NNGOs.
- Transparent discussions about partnership parameters from the outset to ensure that all parties have appropriate expectations to build trust in partnerships.
- On the part of communities, demonstrating an effort and willingness to understand actual community needs was seen as an effective way to build trust.

The discussion on power, funding, and human resources is rooted in trust and the lack thereof amongst stakeholders in Somalia's humanitarian system, which was a prominent theme during all areas of research. Given that trust is the baseline for coordination, cooperation, and partnership, the web of trust and mistrust impacts the efficacy of aid delivery and localization efforts.

The system, a mosaic of local and international, community and governmental actors, is a balance of cooperation and competition. Trust acts as the cornerstone of collaboration and efficient resource distribution, while mistrust can lead to inefficiencies, poor coordination and planning, the marginalization of local actors, and the vilification of international actors. Delving into this reveals the nuanced interplay of power, resources, and politics that shapes the relationships between global donors, intermediary organizations, government, and grassroots entities.

During the workshop in Somalia, there were specific sessions aimed at analyzing the issue of trust in partnership. A study from organizational and business psychology was adapted and two exercises were conducted. First, the team followed the methodology of the [\(Breuer et al. 2020\)](#) study by asking international, national, and local humanitarian actors to describe critical incidents in which trust was built or broken in partnership. Second, the workshop participants were divided into small groups according to their affiliations (international or national in organization type) and asked to identify the top five categories of trust that were most important to successful humanitarian partnership from among the list of categories identified by Breuer et al. The results of these exercises can be found in the [Stakeholder Workshop Report](#) and have been used in the development of the [Beyond Barriers' Trust in Partnership Tracker](#).

The research encountered many examples of experiences that have led to both the development and erosion of trust in humanitarian organizations on the part of certain communities. The negative experiences chiefly concerned a lack of accountability, mismanagement of resources, and inefficient aid distribution. All these types of issues can undermine the credibility of humanitarian actors, emphasizing the importance of effectively managed and transparent aid delivery to foster more effective relationships.

A significant concern highlighted by INGOs is the sustainability of capacities in local organizations. This is very much linked to the perceptions of capacity, discussed in Section 3. All stakeholders note that there is a lack of trust from donors and international partners over the capacity of the L/NNGOs. This primarily relates to organizational capacities, but there are also concerns over the risks involved in trusting L/NNGOs, which are dealt with below.

In order to build trust, most stakeholders agree that conducting partnerships in line with the principles of equitable partnership and following the above-mentioned examples, will engender trust between organizations. Trust takes time to develop and by jointly working on a project and achieving shared goals, trust will be developed between the organizations.

Important steps for building trust from the perspective of L/NNGOs included discussing the nature of the partnership from the outset, developing a Memorandum of Understanding (MOU) on how the partnership will be conducted, ensuring that everything is understood and agreed upon, having clarity on how changes will be made, knowing how problems or disagreements will be resolved and ensuring that when mistakes are made, blame is not attached to partners.

Community members shared many examples of practices that humanitarian organizations should implement to build more effective and trusting relationships between international organizations, local organizations, and affected communities. Specifically, community interviewees expressed trust in organizations that demonstrated a genuine commitment to understanding and addressing community needs, actively listened to requests, and provided reliable and tangible support.

Local organizations were often more trusted due to their consistent and responsive assistance to the community. This underscores the importance of the localization agenda in Somalia, given that Local NGOs are clearly well-positioned to deliver aid regarding their community relationships. During emergency response situations, community members feel that trust is best established by transparency on the part of humanitarian actors. Actors responding to emergencies were encouraged to prioritize transparency and impartiality and avoid discrimination.

A major best practice shared by community interviewees was collaborations between INGOs and L/NNGOs. In particular, it was also mentioned that trustworthy community leaders can be very effective advocates for humanitarian groups to enable them to build trust and work effectively with local communities. This includes the involvement of local actors in decision-making processes in order to promote transparency and responsiveness and reduce conflicts.

Despite the importance of trust, there were no clear examples of stakeholders tangibly and intentionally addressing it. However, it was observed that results are what matter most in fostering trust. Tangible outcomes, efficient service delivery, and transparent utilization of resources are seen as the bedrock upon which trust can be cultivated.



“

“It seems that the trust is quite up in the air. There is no discussion. We haven't ever seen our partners discussing trust with us.”

-NNGO, Somalia

## Recommendations:

- Local and international actors alike need to see trust, and many other interpersonal skills, not as “soft skills” but as fundamental to humanitarian response, and a prerequisite to a true shifting of power. Increasingly, these metrics should be tracked and measured.
- Transparency in partnership, at all stages of the program cycle and specifically when issues arise in implementation, should be prioritized by local and international actors.





## 1.5 Risk

### KEY POINTS:

- Risk perceptions of humanitarian work in Somalia are very high and include a wide range of risks related to security, finances, reputational risk, and aid diversion.
- Because physical security risks are significant in Somalia, international actors often limit their movements, leaving L/NNGOs responsible for operating in the most insecure areas.
- The overhead funding L/NNGOs receive is seen as inadequate compared to the risks they take on.
- L/NNGOs face disproportionate consequences of risk. A suspicion of fraud could be an existential threat to a local organization.
- Risk sharing has been proposed as a solution to some of these challenges in Somalia, but many international actors are reluctant to accept more risk.
- Communities recognized the role that international organizations can play in helping to ensure accountability and avoid corruption in local aid delivery.

Through this research, stakeholders discussed differing perceptions of risk and how risk acts as a barrier to localization. It is important to note that the theme of “risk” arose in several different ways in the Somalia context, such as reputational, fiduciary, compliance, security, safety and organizational risks. The risk of aid diversion was also prominently discussed and represented a significant barrier in a way not observed in the other contexts of this research, except for NW Syria.

Risk is intrinsically linked to the issue of trust. Broadly speaking, the perceptions of risk related to working with L/NNGOs is very high. Somalia has been ranked as the most corrupt country in the world since 2022 by [Transparency International](#). International interviewees emphasized that the levels of corruption observed in the humanitarian sector in Somalia, were beyond what they had experience in other contexts.

At the same time, there is a realization that the status quo on risk management cannot persist. One donor believes that they need to bring a different risk appetite to Somalia, otherwise it is not realistic to expect to achieve results on localization.

However, there are other significant risks of operating in Somalia, which are predominantly faced by the L/NNGOs. The war against armed groups such as Al-Shabaab and the threat of terrorist attacks are prevalent across the country. It is mostly the L/NNGOs who operate in the insecure environments, as they are more adept at acquiring access to communities. Thus, L/NNGOs are often more willing to work in high-risk areas, leveraging their contextual knowledge and relationships and using this as a competitive edge. Nonetheless, L/NNGO’s complain that they take the burden of these risks without being compensated. The inconsistent sharing of ICR (discussed more in Section 2) or administrative overhead costs is highlighted as a challenge.

The different perspectives and perceptions of importance of risk significantly contributes to the challenges in building trust and forming equitable partnerships that have been set out in the previous sections. The perception among donors and the international organizations interviewed during the research was that fraud, corruption, aid diversion, and misuse of funds are the biggest risks that need to be dealt with when partnering with L/NNGOs.

While there is consensus that the levels of risk in Somalia are high, some stakeholders believe that international actors need to be less risk-averse and have a more holistic view of all the risks faced in the sector. However, among the international actors, there are different views on why this risk aversion exists. One donor said: “I think that INGOs and UN agencies typically have a very narrow view of risk, which is almost inevitably financial and fiduciary.” However, INGOs and UN agencies point out that, as they are the grant holder, they hold the burden of the risks when donors have such strict compliance rules that can lead to disallowance of costs.

Certain stakeholders also challenged the assumption that L/NNGOs are riskier. There are incidents of risk by international and local actors alike. One donor went through the audits of the last six years, looking specifically at the disallowed costs involving L/NNGOs. They discovered that none of the disallowed costs were linked to fraud or diversion but were down to issues of poor record-keeping and lack of supporting documents. This issue links to the organizational capacity challenges of L/NNGOs (discussed further in Section 3).

The greatest imbalances are observed in the consequences of risk. Donors and L/NNGOs alike explained that the punitive nature of the treatment of L/NNGOs once a suspected fraudulent case arises creates fear among L/NNGOs, which then prevents them from reporting mistakes or suspected cases.

There were several examples provided of L/NNGOs being ‘blacklisted’ for suspected fraud, which is existential for many organizations. This dynamic feeds into the lack of trust and transparency between actors, which creates a barrier to equitable partnerships.

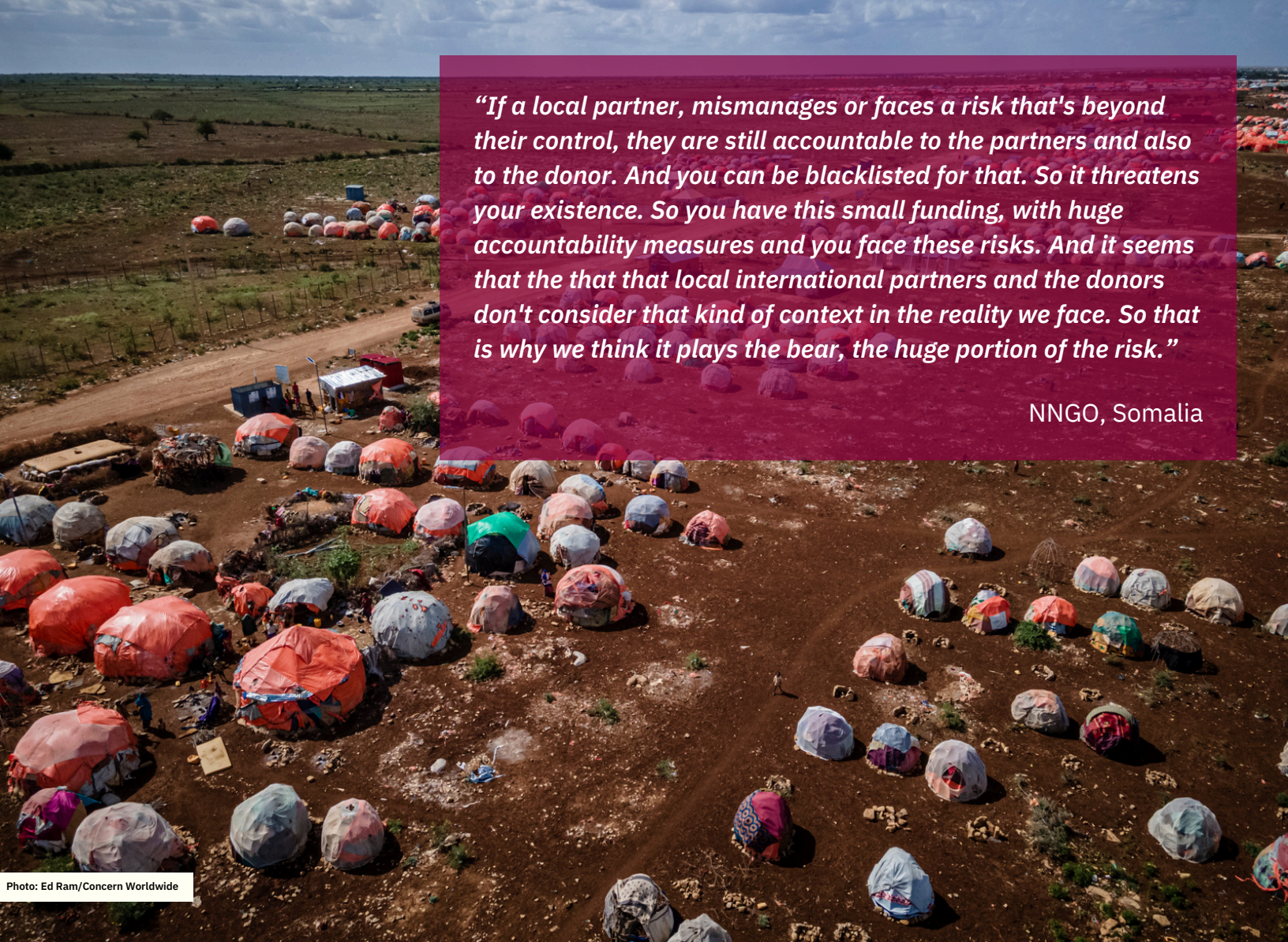
A Risk Sharing approach has been proposed as a method to better mitigate against risk and be proactive on the management of potential consequences of risk. However, there were challenges raised with this approach by certain stakeholders. One donor doubted the sincerity of UN agencies and INGOs when they talked about risk sharing. He believes that the donor bears all the risk if something goes wrong and there is an expectation that they must be the ones who become less risk averse. However, in his view, the headquarters of UN agencies and INGOs are equally resistant to accepting more risk. The countering view from INGOs was that they are risk averse, because their donors are risk averse. From the point of view of L/NNGOs, there is a strong desire from them for their partners to stop ‘transferring’ risk and to begin sharing. They want open communication on the risks faced and practical assistance to address the unique risks faced by L/NNGOs.

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***“If a case of fraud takes place at the international level, two people will be fired. If it were to happen at the national or local level, the entire organization would be shut down.”***

*L/NNGO, Somalia*





*“If a local partner, mismanages or faces a risk that's beyond their control, they are still accountable to the partners and also to the donor. And you can be blacklisted for that. So it threatens your existence. So you have this small funding, with huge accountability measures and you face these risks. And it seems that the that that local international partners and the donors don't consider that kind of context in the reality we face. So that is why we think it plays the bear, the huge portion of the risk.”*

NNGO, Somalia

Photo: Ed Ram/Concern Worldwide

Other mitigation strategies and measures on risk were suggested. In Somalia, where a formal central banking system is absent, alternative methods like hawalas (simple money transfer systems) are commonly used, and have proven to be reliable. However, these are usually not compliant with traditional banking standards and therefore are deemed too risky. If the risks associated with these systems could be accepted, it could overcome this barrier.

An alternative system suggested involves leveraging food and cash transfer methods implemented by prominent humanitarian organizations. This approach introduces automation for beneficiary data management, subsidizes food distribution by engaging private stores as rationing and delivery agents, and ensures transparency in tracking the flow of funding to its intended destinations.

The field interviews with IDP communities in Baidoa revealed that even with such a system in place, challenges related to extortion and corruption persist. Individuals exploit the protracted bureaucratic procedures involved in registering beneficiaries within the system, undermining its integrity. Thus, even the presence of such systems does not guarantee protection against fraud, necessitating robust measures to address the human factor that perpetuates risk, like corruption.



Lastly, it is important to emphasize that the affected communities suffer the most significant consequences of any of the above-mentioned risks. Communities interviewed recognized the role that international intermediaries play in ensuring that there is accountability and oversight. Examples of corrupt practices such as manipulating beneficiary lists and collaborating with local governments to siphon off funds for personal gain, have negative effects on communities.

## Recommendations:

- International actors should reverse the trend of growing risk aversion and move towards greater risk sharing with partners. Guidance on risk sharing has been developed by [IASC](#) .
- L/NNGOs should demonstrate that they have systems in place and demonstrate their ability to manage risk, including avoidance of nepotism in hiring.
- All stakeholders should engage in advocacy with donor agencies, governments, and the taxpayers of countries providing bilateral aid to convey the benefits of local humanitarian leadership.





# Section 2 - Funding

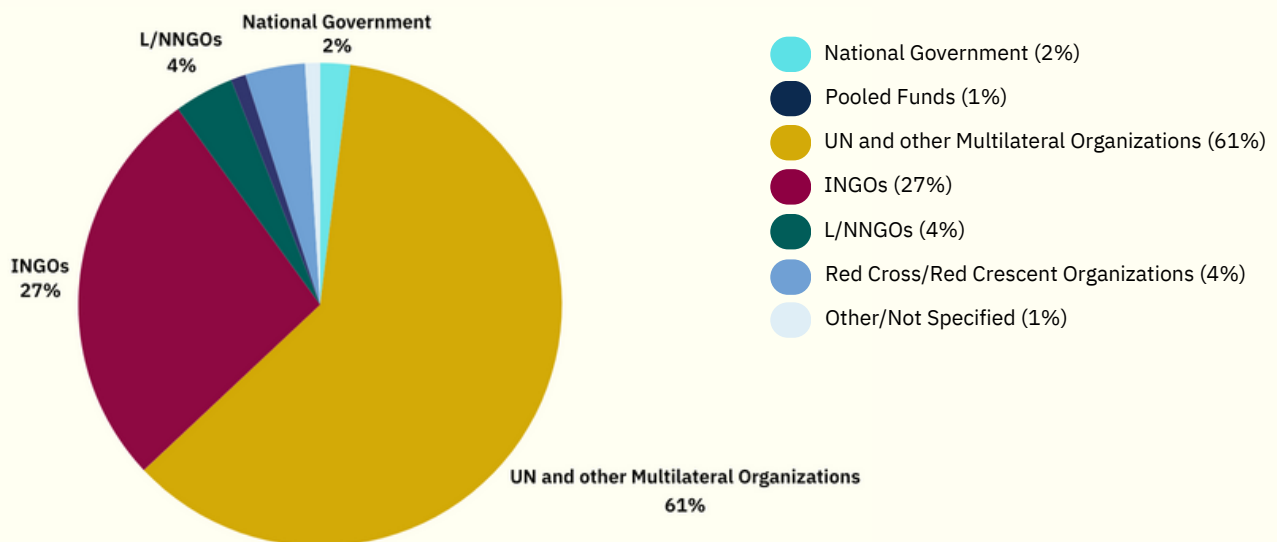
In localization policies and dialogue, getting funding more directly into the hands of local and national actors is seen as one of the key mechanisms for realizing a more locally-led response. While the Grand Bargain target of 25% of humanitarian funding going directly to local actors was adopted, direct funding remains minimal.

Existing literature on localization has outlined the many barriers within the funding space. A comprehensive list of barriers from the literature was drafted and reviewed by the local partner to ensure completeness and relevance to the context. Workshop participants (CBOs, L/NNGOs, INGOs, and UN agencies) were asked to rank these funding barriers according to their role in limiting localization. The following were the highest-ranked financial barriers:

1. Funding does not go directly to local and national organizations, but is passed through intermediaries.
2. L/NNGOs must compete with INGOs for funding.
3. Only short-term funding options are available and there are limited quality or multi-year funding options.

This section discusses the reasons behind targets for direct funding for L/NNGOs not being achieved, the various models of funding through intermediaries, and the role of the SHF Pooled Fund mechanism.

## Funding in Somalia



## 2.1 Direct Funding

### KEY POINTS:

- Direct funding of L/NNGOs in Somalia is very rare, with only one donor interviewed for the project reporting that they fund directly.
- Directly funding of L/NNGOs is not a priority for donor agencies in Somalia compared to the other contexts of the research
- Physical access constraints, a preference for awarding larger grants, and due diligence concerns are among the reasons preventing donors from funding L/NNGOs directly.
- L/NNGOs cited access to donors as a major challenge and donors admitted to not frequently meeting with new organizations.
- Communities expressed some concerns about direct funding of local organizations and government in terms of fragmentation of efforts and transparency.

Primary among the funding barriers raised by participants during workshops and Key Informant Interviews (KIIs) in this research project was the fact that L/NNGOs receive humanitarian funding almost exclusively through intermediaries, mostly INGOs. As a result, few L/NNGOs receive any direct financial support from donors. Only one donor interviewed by the project provided any direct funding to L/NNGOs and they still cited internal challenges, such as contractual agreements and risk management processes that need to be refined. No major donors currently fund Somali NGOs directly. Donors who fund L/NNGOs directly in other complex contexts such as DRC and NW Syria admitted that they face barriers trying to do the same in Somalia. In particular, access constraints in Somalia make it difficult for donors to have the sound contextual understanding required to satisfy their extensive due diligence processes.

Even development donors face challenges funding L/NNGOs directly in Somalia. One donor explained that they encourage L/NNGOs to become part of a consortium, as they prefer to give fewer, bigger contracts instead of awarding small grants to numerous organizations.

This was viewed by L/NNGOs as a major reason they do not receive direct funding and one L/NNGO stated that local organizations are simply “locked out” due to donors’ preferences for funding international actors. This echoes the second highest barrier mentioned in the workshop: L/NNGOs having to compete with INGOs for funding. The preference of donors to make large grants means that most L/NNGOs cannot meet the minimum requirements for the funding of large grants. Another barrier is the requirement of partners to have between 5-10% co-financing, which is unrealistic for L/NNGOs, particularly smaller organizations with limited resources.

According to one UN Agency, the inability of L/NNGOs to respond at scale is the main barrier for directly funding them. One UN representative emphasized this, while pointing out that there was a “Walmartization” of NGOs; large organizations dominating the market, much like Walmart in retail. This trend toward centralization and large-scale operations “disfavors fragmentation,” which makes it difficult for smaller, specialized entities to compete or operate effectively.

L/NNGOs consistently highlighted the importance of receiving direct funding as something that would strengthen their work. They believe direct funding would allow them to design programs adapted to the communities, decrease the costs of intervention by removing the intermediary, and have more control of planning and implementation.

Donors interviewed on the research stated that they would like to see more progress on localization, however, directly funding L/NNGOs does not seem to be the priority. One donor suggested that it is a process that will happen “organically.” Other donors expressed that their main priority is realizing effective responses.

There were concerns from certain community members regarding the prospect of direct funding to L/NNGOs. Some felt that direct funding to multiple local NGOs or authorities might lead to fragmentation, causing duplication of efforts and reduced coordination among various projects or initiatives.

There were also worries about the transparency of funds when directed to local organizations or governments, as there might not be sufficient mechanisms or processes in place to ensure clear accountability and transparent use of the funds.

Furthermore, there was a concern that direct funding might be susceptible to political influence or manipulation when allocated to local entities or governments.

### *Access to Donors*

During KIIs, L/NNGOs reported significant difficulties in unearthing funding opportunities due to limited information access. This barrier hinders their ability to identify relevant grants, further exacerbating the current reliance on intermediaries. Apart from the limited access to information, there is a more general issue of access to donors. Those that report having met with donors usually do so via their international partner.

The donors interviewed confirmed that this dynamic exists. One stated that due to funding cuts, they cannot take on new partners, so are not currently meeting partners that they do not already fund. Two other major donors confirmed that they tend to meet partners that they already fund, recognizing that this is not very fair, as it acts as a further barrier to L/NNGOs not receiving funding.



Distribution of hygiene kits for flood affected communities at Bardera District, Gedo Region.  
Photo: Concern Worldwide



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# Recommendations:

- Donors should address the domination of resources by international actors by earmarking a proportion of funds for L/NNGOs.
- INGOs and UN agencies should support the development of relationships between L/NNGOs and donors.
- INGOs and UN agencies should relinquish power by committing not to compete for funding opportunities where capable L/NNGOs are present and advocating with L/NNGOs for more direct funding for L/NNGOs.
- In-country donors should increase their staff numbers to improve their ability to manage numerous grants and meet potential new L/NNGO partners
- Remove matched funding requirements for L/NNGOs.
- Establish a central website where L/NNGOs can view available funding opportunities in Somalia, improving their access to information and ability to apply for direct funding.





## 2.2 Funding Through Intermediaries

### KEY POINTS:

- The vast majority of funding opportunities for L/NNGOs in Somalia come through intermediaries.
- The quality of this funding ranges from sub-contractual relationships where L/NNGOs have limited power to consortium models where L/NNGOs have much more influence.
- Co-developing projects is seen as an opportunity to make intermediary funding more equitable. While donor funding does not currently support this, some INGOs have taken this on with L/NNGO partners of their own.
- L/NNGOs note that they are able to access multi-year and more flexible funding through consortia.

The preference for almost all donors in Somalia is to provide funding via an international intermediary, typically a UN agency or INGO. However, there are several donors who are proactively encouraging and incentivizing their international partners who would have traditionally been direct responders, to implement projects with L/NNGO partners. Unlike other contexts, such as Bangladesh or NW Syria, there is little evidence of donors seeking out larger NNGOs to fulfill the role of intermediaries. L/NNGOs, therefore, primarily access funding through international intermediaries.

Funding agreements vary widely; under the traditional sub-contracting model, L/NNGOs often have little or no input in decision-making, while through consortium models, L/NNGOs can be full members with decision-making powers and can benefit from the certainty of multi-year funding.

L/NNGOs raised concerns about the predominance of short-term funding opportunities. This is not unique to intermediary funding, as there are the same issues with direct funding from Pooled Funds. Nonetheless, it was cited as a substantial challenge that limits the capacity of L/NNGOs. The limitations of such funding cycles, frequently spanning a mere six to twelve months, present a major obstacle in covering operational costs and planning for the future. This project-based funding also has knock-on effects on issues such as staff retention between projects.

Several donors and international organizations pointed to the extreme nature of the humanitarian crises in Somalia, which prevent them from providing multi-year humanitarian grants. They note the difficulty in predicting where the humanitarian needs will be in the next year, meaning donors plan on an annual basis. This is also how the UN Agencies operate when partnering with L/NNGOs.

INGOs cited the system by which donors award grants as not conducive to developing equitable partnerships. Often, there is little time between calls for proposals and deadlines, making it challenging to include partners in decision-making. One donor suggested providing seed funding or pre-financing for partners to design programs collaboratively, even though they are not currently providing this option.

The current system primarily supports assessments and program design costs but only allows for upfront funding to develop joint programs in collaboration with L/NNGOs. Relatedly, one L/NNGO highlighted the challenge faced in accessing funding that meets their own strategic goals. They must be adaptable to the intermediaries' needs and these do not always align with their own strategies.

Despite the lack of support from donors to do so, some INGOs are proactive in developing relationships with L/NNGOs so that they could be ready to apply as “co-applicants” as opposed to “sub-contractors.” Other INGOs recognized that their L/NNGO partners had the capacity to implement the project themselves and that their role was limited to managing the grant with the donor.

Finally, L/NNGOs are frustrated with certain INGOs who seem to have a preference to implement directly in areas they deem accessible and where there are fewer security concerns. The same INGOs tend to partner with L/NNGOs in the hard to reach areas. As noted by one INGO: “because of issues of access [and] security, there's a very strong culture of INGOs farming out their response.”

This creates a sense among L/NNGOs that they are being “used” for the risky areas, while not being considered as partners in the safer areas.

This also leads to L/NNGOs strategically focusing on seeking funding opportunities in hard-to-reach, conflict-affected areas, sometimes when they have no connection with the area.

### *Consortium Models*

Consortium approaches have successfully been adopted in Somalia and all stakeholder groups agreed that these approaches are progressing localization in a far more meaningful way than traditional sub-contracting. While challenges remain in ensuring the consortia are locally led and open to a diversity of L/NNGOs, these models allow for longer-term funding and facilitate equitable sharing of decision-making power.

The donors interviewed for this project indicated their preference for funding through consortia in Somalia. One donor is working on a strategy focused on localization within Somalia, aiming for a structured approach to gradually hand over responsibilities to local actors by the end of multi-year programs, which typically span around five years. They distinguish between local partners involved in consortia, delineating full consortium members from downstream partners. This strategy includes a proposed tiered approach where downstream local partners undergo capacity strengthening to “graduate” to the level of consortium partners. This donor maintains a strong preference for consortia over direct partnerships but highlights the inclusion of both international and local NGOs as equal partners in these structures. Another donor also described engaging in strategies to consolidate smaller entities into consortia, emphasizing synergy and broader operational scopes.

One successful example, the **'Nexus Consortium'** was established by a group of L/NNGOs to collectively challenge the status quo and create a consortium that would reconfigure the dynamics of aid delivery in Somalia.

*“We have now two year contracts and we are able to control a substantial amount of the budgets. You're able to prioritize. You have within the budget an earmarked funding for crisis modifier.... So it's really empowering for the local organizations.”*

NNGO, Somalia

Siinka Dheer Health centre, in Mogadishu.

Photo: Mustafa Saeed/Concern Worldwide

Initially, members faced challenges in being recognized by donors directly due to their historical roles as subcontractors or subagents to other organizations. It was decided to invite Oxfam to take the role as fund manager. Nexus has been deliberate in its approach to gradually strengthen capacity and gain financial independence. Recognizing the need for a shift in the financial paradigm, Nexus devised a plan to manage smaller amounts independently through member organizations. This allowed Nexus the opportunity to demonstrate its ability to handle funds, build trust with donors, and showcase its commitment to financial responsibility.

Consortium approaches are not without challenges, such as agreeing on a fair share of ICR. However, L/NNGOs were broadly positive about the trend towards consortium over traditional sub-contracting. Consortia are seen as “empowering” due to having longer-term funding, where L/NNGOs are in control of the budget and have the flexibility of crisis modifiers.

However, some L/NNGOs remain skeptical over the motivations for INGOs to lead consortia. Some believe they are only doing so due to donor demands, rather than a genuine shift in approach. Similar concerns were raised by the manager of one consortium who said INGOs were somewhat resistant to L/NNGOs becoming full members and having equal status as decision-makers, despite these INGOs’ own commitments to localization.

A further challenge noted was that despite being full members, L/NNGOs do not always feel comfortable expressing their views at an open table. One UN agency reported that it is often still necessary to have “on-the-side” or bilateral meetings with L/NNGOs to get their honest opinions. There are also concerns that international actors are now only looking for L/NNGOs with previous consortium experience to become members. While it is understandable to seek such experience, it risks contributing to a situation where a small “elite” group of L/NNGOs will be favored by all consortia while excluding others, thus creating a new layer of power. This is contrary to the overall objectives of localization.



# Recommendations:

- Donors can tie funding to organizations' alignment with the goals of localization, for example, increasing funding to intermediary agencies and INGOs with developed policies and strategies to measure progress on localization and decreasing funding to UN agencies without a clear localization goal.
- Donors can also incentivize UN agencies and INGOs to work with L/NNGOs by requiring such partnerships in their proposals.
- Donors should increase the availability of higher-quality funding, including flexible funding, multi-year funding, transitional funding, consortia funding, and pre-positioned funding.
- L/NNGOs should develop consortia among themselves to increase their chances of receiving funding.



Community members, sheep camels and goats use the Borehole water System project in Dhidhid, Borama District Awdat in Somaliland.

Photo: Ed Ram/Concern Worldwide



## 2.3 Indirect Cost Recovery (ICR)

### KEY POINTS:

- ICR is critical for sustaining L/NNGOs
- Some L/NNGOs fear repercussions if they try to negotiate ICR with international partners.
- The sharing of ICR is encouraged by donors however their financial guidelines have not kept pace with the rhetoric.

The importance of receiving a fair share of Indirect Cost Recovery (ICR) was made clear by the L/NNGOs participating in this research. However, these costs are not being shared systematically or in sufficient amounts. This poses a significant barrier to L/NNGOs, as stated by one L/NNGO: “[it] traps the organization in a starvation cycle of chronic underfunding.” ICR provides essential funding required to sustain organizations between projects. It provides funds for administrative costs and salaries not covered in project budgets, allows them to grow as organizations, and to implement their strategic plans.

Some L/NNGOs believe that international actors are reluctant to share ICR as they want to see “value for money” and as much money as possible going to communities. However, with INGOs typically receiving approximately 7% on grants, L/NNGOs are simply asking that this be shared equitably rather than require extra resources. Power imbalances prevent some L/NNGOs from negotiating with their international partners, with one explaining that they sometimes do not argue this point for fear that they will lose their partnership.

Overall, there was consensus from the international actors that ICR should be shared as equally as possible.

However, the donors interviewed described various ways of encouraging their INGO partners to share ICR, but fell short of making it a requirement. Other donors stated that they did not ask how the ICR was shared.

Certain INGOs interviewed expressed frustration with their own organizations on the topic of ICR. One questioned the hypocrisy of the organization’s policy of accepting to negotiate a share of ICR with an international consortium partner, but not with a local partner. Another INGO described how their headquarters takes all the ICR and that they will only share with partners when there is a donor requirement. One country director advised that changes on ICR need to happen at a global level, which was beyond his power.

The above-mentioned consortia also face challenges with systematic ICR. One fund manager of a consortium did not understand why the INGOs they fund are not sharing with the local partners, yet did not have the authority to require it. Concerns remain about L/NNGOs’ capacity to spend ICR to develop systems and to provide supporting documentation where necessary. However, without this flexible funding, it will be difficult for them to develop such systems.

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*“It's a bit of a chicken and an egg, like unless you're going to give them the 7% so they can actually get themselves set up with these systems [but] then no one wants to give them 7% because, you know, they don't have these systems.”*

UN Agency

## Recommendations:

- Donors should move from encouraging to requiring prime partners to share ICR costs with their partners. At the very least, they should require partners to explain why they are not sharing ICR if that is the case.
- UN and INGOs should share ICR proportionally between themselves and their partners based on either the total budget or deliverables per organization.



Cibaado Geedi Cali age 40 with her daughter Foosiya age 5 inspects her field in Qalooacato in Odweine.

Photo: Ed Ram/Concern Worldwide



## 2.4 Pooled Funds

### KEY POINTS:

- The Somalia Humanitarian Fund (SHF) is the most successful Country-Based Pooled Fund that is directly funding L/NNGOs, with more than two-thirds of its funds going to L/NNGOs
- The SHF represents a very small proportion of humanitarian funding (5.7% in 2023) in Somalia.
- Challenges such as strict eligibility criteria, limited overhead funding, short-term grants, burdensome compliance, and lack of transparency on decisions persist.
- SHF tends to favor a new “layer” of larger L/NNGOs who have the capacity to meet their requirements.

The UN-managed Country-Based Pooled Fund (CBPF), known as the Somalia Humanitarian Fund (SHF), was prominent throughout the discussions of funding for L/NNGOs. The SHF has certainly succeeded in advancing the localization agenda with 69% of funding going to L/NNGOs in 2023. This makes it the most successful UN CBPF globally in terms of funding L/NNGOs.

However, the overall impact of this is questionable. As highlighted by several stakeholders, the SHF represents 5.7% of annual humanitarian funding, so even with a concerted effort to prioritize L/NNGOs, it is insignificant in the overall funding picture. As noted by one INGO: “there has to be a much greater commitment to localization than that, than to have a little pot of gold beside a building full of gold.” One cluster lead also questioned whether the SHF is effective, when the small amount of funding provided is divided up into such small amounts that none of the partners who receive it can have a real impact.

It was also felt that one of the main reasons that the SHF is so successful in funding L/NNGOs is that they have access to areas that international actors do not. It is out of necessity, rather than a real commitment to the objectives of localization that the SHF is the global leader of CBPFs. Furthermore, one consortium manager was of the belief that most UN Agencies and INGOs avoid the SHF because the administrative burden is not worth the small funds allocated, which are for a maximum of 24 months. They are in a position where they can “cherry pick” the funding opportunities and thus avoid the SHF. L/NNGOs do not have this option.

L/NNGOs who receive funding from SHF are satisfied with the fact they receive it directly, without the need for an international partner. It allows them to design their own projects, decide which areas to operate, and control the budgets. However, some reported that the overheads provided by SHF are very limited, making it very difficult for L/NNGOs without alternative funding to operate successfully.

A positive aspect for donors is that the SHF tends to harmonize compliance requirements. However, the harmonized criteria tend to follow the strictest among the donors, making the requirements especially difficult for some L/NNGOs. Despite this, one of the major donors felt that SHF was not rigorous enough with eligibility requirements, while another major donor believes it makes sense for smaller donors to contribute to Pooled Funds, but as a major donor, they would cede more control than they would like.

In contrast with the above views, many stakeholders believe that the stringent eligibility requirements of the SHF make it inaccessible to a lot of L/NNGOs. Examples of these requirements include three years of audit reports and experience with UN Agency or INGO funding. This excludes the majority of L/NNGOs. The importance of the SHF eligibility is emphasized by the perception that all donors are looking to SHF assessments to decide whether they will fund L/NNGOs. This makes becoming eligible for SHF crucial.

Furthermore, even after the L/NNGO becomes eligible (only 40% succeed according to a UN source), after a long and complicated process, they are still not guaranteed any funding and must apply for the next allocation. If the L/NNGO succeeds in securing funding through SHF, they are faced with stringent compliance demands, often creating operational difficulties and significant administrative burdens due to frequent audits, financial reporting requirements, and spot checks. L/NNGOs also report delays in feedback and funding allocation with the SHF can undermine its ability to fund timely activities by NGOs during crises. There were also claims that funding decisions of the SHF are not always transparent and that it is not always clear why certain NGOs receive funding and others don't.

The decision-making process of the SHF was also questioned from a localization viewpoint. Many felt that there is too much influence from the clusters, which are exclusively led by UN and INGOs. Clusters nominate L/NNGOs for SHF funding, and the SHF team does the background checks on the organizations. While local and international organizations are equally represented in numbers on the SHF Advisory Board, specific stakeholders doubt whether there is equity in decision-making power.

The above factors lead to concerns that the SHF is not reaching the L/NNGOs who are in the best position to respond. The SHF funding system favors large L/NNGOs with more experience partnering with international organizations. The community-based organizations, who are positioned to deliver strong support in their communities rarely participate in clusters and cannot pass the eligibility requirements. However, a positive initiative from the SHF in this respect was to introduce criteria promoting the inclusion of women-led organizations and those representing people with disabilities (PWD).

Several stakeholders raised the need for capacity support from SHF. Given the stringent eligibility and compliance requirements, without providing this support, the SHF will continue to fund the same large L/NNGOs, contributing to a new power layer. The SHF no longer allows specific funds for capacity strengthening. Having done so previously, they stopped as they were not seeing any impact, according to one UN representative. Furthermore, the primary objective of the SHF is to save lives. With funding levels in Somalia dramatically declining, UN officials were of the view that it is up to donors to increase funding for capacity strengthening in the budget (The HRP is only funded to 24% this year 2023, which is down from 85% last year.).

While there are areas for the SHF to improve on, it cannot be denied that it is making more progress on localization than any other funding mechanism, albeit with limited funding. As pointed out by one UN representative: “I guess the question is – if the SHF can have so much success funding LNNGOs directly, why can’t others? How much are the UN agencies and INGOs actually investing in localization?”

## Recommendations:

- Donors should increase overall funding to pool funds while providing alternative funding for L/NNGOs to develop organizational capacities to become eligible.
- Pooled funds should:
  - Be flexible in allowing longer-term grants;
  - Have a streamlined process to become eligible for SHF and require more transparency for those who are deemed ineligible;
  - Ensure L/NNGOs receive sufficient overheads;
  - Allow budget for capacity strengthening and/or have a separate mechanism for this purpose.
- Donors should explore funding alternative mechanisms to the SHF, such as the Start Fund.





## 2.5 Alternative Funding

### KEY POINTS:

- While some L/NNGOs report raising alternative income through private enterprises, alternative funding sources remain quite limited in Somalia.

Throughout research activities, it was noted by stakeholders that L/NNGOs' reliance on donor funds leaves them very vulnerable to financial volatility. Additionally, a lack of diversified income sources constrains their ability to cover administrative overheads and operational essentials. Diversifying the spectrum of income streams therefore stands as a potential avenue for long-term financial resilience.

During KIIs, some local and national stakeholders reported being able to generate income from private enterprises. One L/NNGO gave the example of piloting a program to sell subsidized livestock feed to pastoralists as a social enterprise.

An NNGO mentioned being able to generate some income through the management of private schools. However, these examples seem fairly limited at the present time. Nonetheless, this represents an area of potential for L/NNGOs to raise additional revenue, particularly unrestricted funding that can support their administrative needs as organizations.

More significant opportunities may be available through the existence of private philanthropic funds, particularly through Somali diaspora, such as the [Pharo Foundation](#). Founded by the Somali diaspora and underwritten by philanthropic support from a multi-million dollar hedge fund, the Foundation showcases an innovative funding landscape within the humanitarian sector.

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## Recommendations:

- L/NNGOs should be proactive in networking with the Somali diaspora network to explore additional funding opportunities.
- L/NNGOs should develop fundraising strategies to move away from reliance on bilateral donors.

## 2.6 Due Diligence, Compliance and Reporting

### KEY POINTS:

- Compliance-related requirements pose a significant burden to L/NNGOs and a major barrier to receiving more funding.
- The development of a harmonized capacity assessment tool is a positive step

Due diligence, compliance, and reporting proved to be another salient issue related to the funding of L/NNGOs in Somalia. Donors reported mixed views on this issue in KIIs, generally agreeing that current processes are often too onerous for L/NNGOs, particularly in a context like Somalia where security issues limit access to potential partners during the vetting process. Another donor mentioned that though they believe that due diligence requirements could eventually be harmonized among donors, there is a strong risk that this would lead to donors adopting the most stringent requirements as the shared standard (as is the case in the SHF).

The Somali NGO Consortium spearheaded an initiative that sought to harmonize due diligence and capacity assessments of L/NNGOs into one tool. This was seen as a significant move towards improving operational efficiency and establishing a more equitable basis for collaboration between INGOs and L/NNGOs. It emerged from a critical examination of current practices, where the proliferation of separate capacity assessments by various INGOs imposed unnecessary administrative and resource demands on L/NNGOs. Despite the agreement among INGOs in-country to adopt the tool, at the time of the research visit, the tool had not been adopted substantially.

Reporting and compliance are other aspects that highlight the different challenges for the smaller L/NNGOs. The bigger organizations, who have been active in the sector for decades, do not have as many challenges keeping up with the reporting and compliance requirements. However, they act as a barrier for the smaller, “young and promising” L/NNGOs to access funding and were cited as a reason the same L/NNGOs keep getting funded.

There were suggestions that technology could be harnessed to provide a more meaningful system of reporting from community to donor. One INGO was of the view that it is now feasible to arrange monthly virtual meetings between communities and donors to provide direct feedback on how projects are being implemented. These could be transcribed to paper on a periodic basis. There are also now WhatsApp groups regarding security concerns with donors in the loop, which could potentially be extended to program reporting, therefore dispensing with a lot of formal requirements.

A Consortium Manager believed that a digitized system where participants from the program could give direct testimony would be more reliable than a report on paper. L/NNGOs echoed these sentiments with one suggesting that “reporting structures be made digital through electronic platforms that are easily accessible.”



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# Recommendations:

- International partners should consider alternative methods of reporting from L/NNGOs such as pictures, videos, and audio testimony.
- Donors, INGOs, and UN agencies should increase efforts to adopt the harmonized due diligence requirements initiated by the Somalia NGO Consortium.



Lead farmer Qasam Mumin Warsame, shows off his farm and crops in Shirwac Village, Adwal Region.

Photo: Ed Ram/Concern Worldwide



# Section 3 - Human Resources

The third category of barriers examined in this research were those related to Human Resources. This category was broadly split between two issues – capacity of L/NNGOs and staff cycle challenges. The following were the highest-ranked barriers in this category in the pre-workshop survey:

1. Capacity strengthening is often programmatic in nature, not institutional.
2. Lack of pay parity between local and international staff.
3. Little or no programmatic budget is allocated for training and capacity strengthening needs.

The following section looks more deeply at the issue of perception of capacity and unpacks the capacities that local actors report to have and those that they are still seeking. This section will also examine the existing attempts to strengthen local capacity and its effectiveness in doing so. Finally, this section will cover the elements of human resource challenges related to recruitment and retention.

## 3.1 Local Capacities and Gaps

### KEY POINTS:

- There is not a common understanding of what truly constitutes an organization with full “capacity”
- L/NNGOs feel that international actors tend to devalue their capacities
- L/NNGOs are seen as having significant capacity in terms of their knowledge of and proximity to affected communities
- There is consensus that L/NNGO capacity gaps center on organizational administration and financial management.

Capacity is frequently seen as one of the major barriers to localization, typically cited by international and local actors alike as a reason L/NNGOs do not receive more direct funding or play a greater role in humanitarian activities. The research explored various understandings of capacity on the part of different stakeholders involved in Somalia’s humanitarian sector.

Participants agreed that there needs to be a systematic and holistic review of the definition of capacity, since there are often differences of opinion between stakeholders on what capacities are the most important and needed for effective humanitarian response.

In the project research, local actors expressed that their most valuable assets are their experience with and proximity to affected communities.

This is evident in what they have been able to achieve so far with the limited resources available to them. This perception was shared by international stakeholders as well as other local stakeholders and community members, who similarly view L/NNGOs' most important capacities as being related to their extensive knowledge of the local context and local communities.

The community tied the qualities of humanitarian workers they seek to Islamic principles or qualities that align with Islamic values. The sentiment remains that empathy and a shared connection with the affected community play a pivotal role in demonstrating humanitarianism. Furthermore, humanitarian workers are expected to deeply understand and respect local customs and traditions. This understanding helps them engage with the community in a respectful and culturally sensitive manner. Finally, given their proximity to local communities, they are best positioned to be the first to respond to crises, even with the limited resources available.

However, L/NNGOs also acknowledged many capacity gaps that they have alongside these capabilities, mostly concerning organizational capacities, particularly financial management. This view was shared by the other stakeholder groups.

It is very important to note that many participants in this research project raised issues with the common concept of capacity. First, there was acknowledgement that there is not a shared definition of what constitutes a fully capacitated L/NNGO. One of the interviewed donors emphasized a crucial disconnect between what international organizations and donors value as organizational capacity and the actual effectiveness of local actors.

The focus on audits and reporting tools like QuickBooks overrides recognition for the impactful work done by L/NNGOs with communities. This impact is perceived to be undervalued if it doesn't align with conventional metrics of organizational capacity, such as financial record keeping, audits and registrations.

Stakeholders discussed the need for donors to recognize different types of capacity and to weigh the potential of different L/NNGOs instead of focusing solely on their perceived shortcomings or limitations. These sentiments were echoed by L/NNGOs who believe that their existing capacities should be supported and developed to promote local ownership of humanitarian responses. Furthermore, L/NNGOs want to compete fairly with INGOs for funding opportunities.

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***“Empowering and supporting local organizations is crucial for sustainable development and effective response to the needs of communities in Somalia. Local organizations have a deep understanding of the local context, culture, and dynamics, which enables them to design and implement programs that are more contextually relevant and impactful. By empowering local organizations, we can foster local ownership, build local capacities, and ensure the sustainability of development efforts”.***

*LNGO, Somalia*

They believe they possess competitive advantages, such as local knowledge, experience, community connections, and access, which they feel would make them strong contenders in an open competition scenario. However, a significant challenge highlighted by one NNGO is the perception of donors. The prevailing belief is that donors primarily listen to international partners and may not provide equal consideration or opportunities for local NGOs to showcase their capabilities.

The challenges in harmonizing due diligence and capacity assessments were outlined in the previous section. However, it is worth noting that these processes are often the entry points at partnerships, and they need to be focused on the needs of the L/NNGO rather than the compliance requirements of the donor. There is an argument that due diligence and capacity assessments should be separated entirely to avoid these two separate processes becoming muddled across each other. A more inclusive, mutual approach to capacity assessments is preferred.

Some INGOs noted challenges in facilitating capacity self-assessments, whereby the approach led to inflated scores, making it difficult to provide any meaningful capacity support. One L/NNGO suggested that a baseline survey should be conducted across all L/NNGOs to get a better understanding of existing capacities of L/NNGOs.

A community group in Baidoa suggested that international organizations facilitate knowledge exchange and learning opportunities between local and international actors. This would include promoting platforms for information sharing, facilitating networking and collaboration, and providing spaces for local organizations to showcase their work and innovations. By creating avenues for mutual learning and dialogue, international actors can strengthen the capacity of local organizations, while also benefiting from their expertise and local insights.

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## Recommendations:

- **Capacity sharing instead of traditional capacity strengthening approaches in order to acknowledge the unique capacities of L/NNGOs, which international organizations can learn from, and to strike an appropriate balance between international expertise and locally-grounded knowledge.**
- **UN and INGOs must recognize the importance of cultural sensitivity in aid delivery and train staff to understand and respect local customs, traditions, and religious practices.**



## 3.2 Capacity Strengthening

### KEY POINTS:

- Capacity strengthening efforts tend to focus on programmatic, individual based skills rather than organizational, operational skills.
- Holistic approach to capacity strengthening is required rather than one-off trainings.
- Stakeholders saw a significant opportunity to adopt a capacity sharing approach between local and international actors.

Given the salience of capacity as a factor that frequently determines the level of support available for L/NNGOs, capacity-strengthening efforts were widely discussed during research activities. Participants shared differing views specifically related to past and present capacity-strengthening efforts targeted toward L/NNGOs in Somalia.

Most stakeholders agreed that organizational capacities of L/NNGOs need to be prioritized. However, as one donor highlighted, the challenge with institutional capacity strengthening is that it requires a multi-year approach, and therefore, multi-year funding. As outlined in the Funding section, one of the main barriers faced by L/NNGOs is that funding opportunities are provided on a short-term basis.

The need for long-term capacity strengthening was echoed by L/NNGOs. This is considered as a critical potential step to allowing L/NNGOs to move towards being able to independently manage funding and implement projects with greater efficiency. This would then allow L/NNGOs to be better positioned to receive increased direct funding.

Prioritizing institutional systems, such as enhancing organizational structures, developing policies, and adhering to international standards was viewed as key to the long-term sustainability of L/NNGOs.

An interesting discrepancy that arose in discussions of capacity strengthening was that L/NNGOs consider the trainings designed by international actors as a significant barrier, while international actors did not. However, it was clear that many L/NNGOs felt that current capacity strengthening offerings coming from international entities tend to be overly focused on programmatic skills, rather than operational skills.

Additionally, many felt that current capacity strengthening initiatives are too focused on training or upskilling individual staff and that capacity strengthening efforts should be expanded to address capacity at an institutional level, something which would have the effect of bolstering the entire local humanitarian system. Certain INGOs acknowledge the importance of providing resources beyond traditional training. Suggestions include allocating funds for travel to attend key meetings, utilizing free online training platforms like [Kaya](#), and embedding technical staff to work alongside partners during project implementation.



Abdi Jama, community member, with his sheep and goats in the water project in Dhidhid, Borama District Awdal in Somaliland.

Photo: Ed Ram/Concern Worldwide

*“They don't want to hear this capacity building. ...maybe you can put another way, capacity strengthening. Because we have been working this capacity building for the past 20 years and they are asking now, when do we graduate?”*

NNGO, Somalia

There was little evidence of international actors reflecting on their own capacities or adopting a capacity sharing approach. However, certain L/NNGOs reflected on the need for a capacity sharing approach to be adopted if there was to be real empowerment of L/NNGOs. One L/NNGO asserted that capacity sharing “is at the heart of what localization is.” Another NNGO has been proactive in trying to develop a mutual capacity development relationship with their international partners and have developed a tool for their potential INGO partners to complete. This was initially met with surprise by the INGO, but ultimately viewed as an opportunity to assess whether there is good compatibility between partners and to reflect on what areas of improvement they could work on.

A more comprehensive approach could potentially better address the root causes of staff turnover, recognizing that an empowered institution is better poised to attract, retain, and develop skilled personnel over the long term. It was also pointed out that current capacity strengthening endeavors have so far failed to dismantle the reliance on intermediaries that is still pervasive in Somalia’s local humanitarian system.



*“Capacity sharing, at the core, is recognizing that everyone has something to bring on the table... We agree that local organizations have a better in-depth understanding of the communities ...I think it's good to acknowledge that... In terms of funding, INGOs are a step ahead. But COVID taught us that local organizations have a lot to offer because when no one was there, we were the only ones who were there. We were the only ones who were going to the communities. And so it's appreciating that.... for example, designing a project ... INGOs have the technical knowledge, but if you do not have a realistic understanding of the context on the ground, then the technical knowledge is not serving any purpose. It's like fitting a jigsaw puzzle. You could have the piece, but if it's not going in the right way, then it's useless. We are able to give you the reality on the ground. Acceptability, for example, of certain projects within the context. How can we tweak that and then get the high level technical knowledge that then fits together to be able to have a complete puzzle then serves the purpose of the community?”*

NNGO, Somalia



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## Recommendations:

- Capacity sharing approaches should be adopted by international actors in lieu of traditional capacity “building” approaches, taking into account unique capacities of local actors that international actors can learn from.
- International actors should promote the use of Organizational Capacity Self-Assessments by L/NNGOs as a starting point for capacity sharing, and should co-design capacity strengthening initiatives with partners to ensure that they are relevant and demand-driven.
- International actors should improve the quality of capacity strengthening offerings by providing opportunities to apply skills and ensuring that activities address organizational capacity, not just individual capacity.
- Donors should provide multi-year funding streams for the sole purpose of capacity strengthening.



## 3.3 Staff Recruitment & Retention

### KEY POINTS:

- L/NNGOs face challenges with an overall lack of qualified staff, and a lack of resources with which to pay and retain staff.
- Nepotism was cited as a significant issue in Somalia, which worsens these issues by favoring personal connections over more qualified or skilled candidates.
- Salary discrepancies between local and international organizations are a primary driver of retention issues.

L/NNGOs cannot respond to emergencies without adequate staffing. There are several barriers cited by local and national actors related to their ability to staff their organizations, including lack of qualified staff, short-term funding, and turnover. These barriers are cited and faced by local and international actors alike in the sector. However, L/NNGOs in Somalia experience unique challenges in staff recruitment and retention due to salary discrepancies, poaching, nepotism, and interference from the government.

In Somalia, stakeholders spoke of recruiting individuals based on personal connections rather than merit and qualifications. However, corruption not only hampers the selection of competent and capable local staff but also undermines the overall effectiveness of the humanitarian response. Skilled and qualified individuals may be overlooked or excluded from opportunities, leading to a loss of valuable expertise and potential contributions to the relief efforts. Moreover, the prevalence of corruption in local talent recruitment has eroded trust within the affected communities.

In some cases, staff clan affiliation influences their recruitment and allegiance. Managers tend to employ their kin, who they perceive as more reliable, manageable, and cooperative. This is further exacerbated by the large number of graduates, the high unemployment rate, and the fact that the humanitarian sector offers well-paid, secure employment.

In response to these challenges, some international partners attempt to support the recruitment processes of L/NNGOs by reviewing their hiring manuals and emphasizing the importance of professionalism. However, even these efforts are often insufficient to overcome the deeply ingrained practices of favoritism and corruption. As one international NGO respondent explained, "We try to double-check their manuals and help them understand the importance of professionalism in hiring, but the challenges persist."

The retention of staff for L/NNGOs is a major barrier to localization. The standard career path of humanitarian staff in Somalia is to start with L/NNGOs, gain experience, and then be recruited or "poached" by an INGO or UN Agency.

This results in a “brain drain” from L/NNGOs, making it more difficult to retain staff who can lead quality humanitarian responses. There are several factors causing this, the first being salary disparity between L/NNGOs and international actors.

The L/NNGOs, however, find it challenging to provide competitive salaries due to constraints from donors and international partners. Additionally, the competitive nature of the humanitarian sector sometimes leads to a “race to the bottom” where local partners aim to minimize costs to make their proposals competitive. This has a direct impact on staff retention and raises the question of how the L/NNGOs alone could address the issue of disparity in pay scales under the current system.

Local stakeholders suggested that the government could play a key role in addressing the wage gaps between local and international humanitarian staff. In particular, there is a desire for the government to enact policies that would ensure fair compensation for local staff and ensure that positions appropriate for local individuals are not automatically awarded to international staff without justification.

A proposed solution to this issue is the harmonization of salary scales across the sector, which would involve creating a more equitable pay structure that reflects the contributions of local staff and makes local NGOs more attractive employers. However, achieving this would require a significant, coordinated shift in policies of international actors, together with a commitment to supporting higher operational costs. One of the proponents conceded that it would require “enough organizations to buy into it,” which would be “quite difficult.”

However, pay was not the only issue perceived to be at the root of retention challenges for L/NNGOs. Stakeholders also mentioned the need to improve overall HR policies within L/NNGOs in order to prioritize staff welfare and provide other incentives for them to remain within local and national organizations.

Another barrier to retention relates to the predominance of project-based funding for L/NNGOs. This dependence on short-term funding sources, not only constrains the negotiation capacities of organizations, but also increases the risk of losing qualified personnel when projects end. This precarious situation underscores the need for a more sustainable approach to staffing, one that ensures continuity and stability, even in the face of funding fluctuations.

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## Recommendations:

- All stakeholders should create salary ranges in the sector to avoid the situation where international actors’ salaries eclipse L/NNGOs’ salaries.
- L/NNGOs should develop HR policies and practices to safeguard against nepotism when hiring staff.



Photo: Mumit M/Concern Worldwide

## 3.4 Language

### KEY POINTS:

- The predominant use of English in the sector is a barrier to some L/NNGOs
- Language skills differentiate L/NNGOs, with larger organizations typically possessing English skills that smaller L/NNGOs and CBOs do not

The reliance on English for project reporting, while seemingly manageable for some organizations, creates barriers for local NGOs and communities in effectively communicating their needs, experiences, and perspectives.

Some believe that requiring reporting in English strengthens the capacity of L/NNGOs, whereas others emphasize that it can limit the articulation of thoughts and ideas, hindering effective communication. On the other hand, international donors and organizations face obstacles in accepting proposals and reports in local languages due to limited language skills among staff.

There was some skepticism regarding the value of accepting proposals or reports in Somali.

Some doubted whether allowing L/NNGOs to submit proposals and reports in Somali would make a major difference. Furthermore, concerns about translation difficulties, time constraints, and differences in understanding between Somali and English pose barriers.

However, this is another area where there is a clear difference between the large well-established L/NNGOs, who have developed language capacity and have no issues writing proposals in English. Their situation is markedly different from the smaller L/NNGOs or CBOs who have not interacted with the international actors on a regular basis. For this reason, there's a recognition of the need to make meetings and documentation more accessible to local NGOs and communities.



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# Recommendations:

- International actors should be open to accepting proposals and reports in Somali and should ensure that coordination meetings are accessible for those that prefer to speak in Somali, through translation services.



# Conclusion

In Somalia, the high-risk environment has frustrated any progress in funding L/NNGOs directly. International actors focus on other measures, such as funding L/NNGOs through consortium models and the Somalia Humanitarian Fund. Aside from this, the traditional sub-contracting model from INGOs or UN Agencies to L/NNGOS is the main source of funding for L/NNGOs. Stakeholders in the sector also mentioned innovative approaches to supporting L/NNGOs, such as diaspora funding of L/NNGOs and utilizing simple technologies like WhatsApp to improve communication between L/NNGOs and donors and to lessen reporting burdens on L/NNGOs.

Power rests overwhelmingly in the hands of international actors. At the local level, a small group of larger L/NNGOs is emerging as a new power layer, which underlines the need to continue working on issues of power imbalances and trust in order to grow existing progress on localization. The current distribution of power was observed not only in the overall distribution of resources within the sector. For example, there is an expectation that business in the sector should be conducted in English, placing a burden on Somali organizations instead of their international counterparts and effectively excluding many local organizations from important coordination forums and other opportunities.

Additionally, despite being expected to be frontline responders in the most insecure areas of the country, L/NNGOs are frequently not provided an equal share of ICR. At the same time, INGOs often prefer to respond directly in less insecure areas. This is another example of a failure within the system to view L/NNGOs as equals. Furthermore, the stratification of L/NNGOs in terms of their differing access to funding and decision-making is something that risks being exacerbated by localization initiatives if intentional efforts are not made towards ensuring the inclusion of a variety of L/NNGOs, as well as marginalized individuals.

More than in other contexts, local and community-based stakeholders in Somalia placed major importance on respect for cultural and religious values in humanitarian responses, and it is evident that more consideration should be given to these factors on the part of international actors, as well as recognition of the capacity of L/NNGOs to better take these factors into account. Capacity sharing between L/NNGOs and INGOs/UN agencies may be a way to advance this effort and to build better trust in the sector.