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BEYOND BARRIERS

SOMALIA CASE STUDY:
SOMALIA NGO
CONSORTIUM-LED INITIATIVE

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HARMONIZED DUE DILIGENCE

The Somalia NGO Consortium (SNC) was founded in 1999 as a loose association of Non-Governmental Organizations (NGOs) working together to improve the coordination of international assistance and increase the prominence and profile of NGO representation in the coordination system of international assistance to Somalia. The Consortium has grown into an effective network that supports members in dialogue, collaboration, learning experiences, as well as exchange of information and advocacy on issues of key concern. The SNC is the voice for its members before the government, UN agencies, donor groups, and multilateral organizations, either at the local level, national level, or international levels. SNC members include more than 82 local and international NGOs, though the network serves far beyond the limits of membership. The majority of SNC's members are large INGOs.

In terms of defining NGOs, the SNC characterizes both National and International NGOs with a focus on their operation at various levels – local, national, or international – with the goal of addressing distinct issues for the public benefit. NGOs, as defined by the SNC, are distinguished by several key features: they are autonomous from governmental, regional, local, or any form of de facto authority, clan, or administrative grouping, ensuring their independence.

The Somalia NGO Consortium is central not only in coordinating NGO efforts but also plays a crucial role in advocacy, the exchange of information, and promoting localization. This commitment to localization, formalized by the Humanitarian Country Team in 2019, aims to clarify the functions and responsibilities of various entities in the humanitarian field. Furthermore, an important effort by the SNC is the establishment of the Localization and Partnership Working Group, led by local entities to enhance collaboration and understanding between local and international organizations. This initiative symbolizes a strategic move to close existing gaps and foster cooperation. The development of a unified capacity assessment tool emerged as a key achievement in minimizing redundancies and optimizing the distribution of resources, addressing the issue of varying capacity evaluation standards among international NGOs.

In Somalia and Somaliland, national NGOs deliver a range of humanitarian services in diverse regional contexts, but the various Partner Capacity Assessments (PCAs) required by donors and international NGOs (INGOs) often strain their limited resources, potentially excluding key local partners. To address this, SNC member organizations commissioned an analysis to create a standardized assessment tool, allowing INGOs to share general partner information and reduce the need for multiple assessments. This tool, with options for collecting additional specific data, aims to streamline the process, saving time and resources. A task force and technical steering committee oversaw the development and review of this tool.

The objective of this exercise was to develop a harmonized Standardized Partnership Assessment Tool (SPAT) for evaluating the capacities of National/Local NGOs and community-based organizations (CBOs) in Somalia/Somaliland. This process involved reviewing INGO capacity assessment tools, mapping common and sector-specific features, assessment criteria, and determining recommendations to guide the harmonization of these tools. The goal was to create a unified SPAT that includes shared PCA criteria as a baseline for partnerships, along with a tiered due diligence framework and a dynamic partner risk rating system for assessing the capacities of LINGOs and CBOs, with clear guidelines for upgrading or downgrading tiers.

The harmonized SPAT is designed to make general PCA findings available to any INGO needing information on a national or local NGO. With common data accessible for all PCAs conducted by INGOs, any additional specific information required by INGOs or donors can be collected through an annex to the general information. This streamlines the assessment process while still allowing for the inclusion of specific donor or INGO requirements.

The process was initiated with the approval of Country Directors (CDs) from all member organizations, with INGOs confirming they had obtained consent from their headquarters and relevant risk management units. A Terms of Reference (ToR) was then developed, and a consultant was hired to oversee the process. Through a series of consultation meetings, the Partner Capacity Assessment (PCA) tools used by all INGOs operating in Somalia were reviewed.

As a result, a standardized SPAT tool, developed in MS Excel format, was created, tested, validated, and officially endorsed during a CDs meeting. All SNC member organizations signed a commitment letter agreeing to adopt the new SPAT tool. The assessment findings produced using this tool will be valid for one year, in line with the annual nature of most funding modalities and the Humanitarian Response Plan (HRP).

STANDARDIZED PARTNERSHIP ASSESSMENT TOOL (SPAT)

The developed SPAT tool has **16 sections** divided into different tabs/sheets on the consolidated Excel file as follows:

Section 1 (summary of findings): presents a summary of the observations in all the assessed areas in form of scores (automatically generated from the subsequent sections) and percentages which are a function of the scores and allocated weights.

Section 2 (Organizational details): This section contains general information about the organization including name of the organization, geographical areas of operation /presence, contact details (including website), board of directors, registration details (including registration number), assessment date and details of assessor (or assessing INGO).

Section 3 (Due diligence): This section seeks to conduct a background check on the organization and provide comments/ratings with respect to nine areas around due diligence: Legal status of the organizations focusing on registration and compliance with the laws in Somalia.

- Governance which seeks to give background information about the board of directors and key decision makers within the organization.
- Funding status gives the historical and financial position of the organization being assessed as well as future financial projections.
- Background screening / checks for board of directors and key management staffs against any government or international sanctions proscribed person's list.
- Examination of safeguarding policies, practices and internal/organizational commitments towards the same. The assessment will also include a background check for directors and other staff members against any criminal convictions.
- Organizational disclosures (political exposures and affiliations) for funders and directors or their close family members.
- Fraud and Corruption [including bribery and anti-money laundering practices] looking at the assessed organizations' position, policies and procedures in preventing / addressing the same. An organizational screening is also done looking at incidences of fraud, corruption, bribery, anti-money laundering reported against the organization involving the Directors (Executive management team and the Board) as well as issues around anti money laundering.
- Anti-terrorism screening for the assessed organization, board members or management staffs as well as existing structures, systems, policies and practices on the same.
- Organization's litigation status.

Section 4 (SPAT notes): explains notes and definitions of terms.

Section 5 (Scores): Categories - These are broad areas of assessment conveniently defined to cover the Vision, Mission & Strategic Direction Governance, HR Management, Risk management mitigation, Gender, Diversity, Equity, Inclusion, Protection & Safeguarding, Program Capacity, Finance Management, Resource Mobilization & Logistics and Procurement.

Capacity Performance Categories - to improve objectivity in scoring of assessed standards, there are three clearly stated “capacity performance categories” for each assessed standard in each category with distinct colors that change depending on the value chosen: 1 - Inadequate Capacity; 2 - Weak Capacity; 3 - Good Capacity; and 4 - Strong Capacity

Scores: The tool is designed so that assessors may allocate only ONE score for each Assessed category above 1 to 4 (maximum score for a domain depends on the number of Assessed categories for which capacity is being measured).

Weighting the scores: Each category can be weighted differently depending on the relative priority, but the total weighting of the category must add up to 100% irrespective of the number of categories.

Section 6 (Vision, Mission and Strategic direction): Seeks to evaluate the strategic fit between the assessor and the assessed. Specifically, this section looks at current programming and alignment to their overall strategic direction as well as a sustainability plan. The section also requests evidence that influenced the scores and documentation of identified gaps as well as having a provision to give some explanatory notes behind the assessors’ observations.

Section 7 (Governance): Looks at overall structure of governance and decision-making of the organization, as well as adherence to other ethical considerations within the humanitarian space (such as code of conduct). Specifically, it looks at composition of board members and SMT and the process of making critical organizational decisions. It also looks at organizational continuity / succession planning as well as physical organization of the working environment.

Section 8 (HR Management): This section collects and analyses information about the assessed organizations’ HR management practices at policy and operational levels and in accordance with the labor laws governing the land and humanitarian principles. Analysis on performance management, talent acquisition and staff retention is also conducted.

Section 9 (Risk Management): Here the assessment looks at compliance and risk management frameworks and internal controls in line with donor requirements and humanitarian principles. In addition, issues around risk mitigation measures from institutional and physical perspectives are also evaluated, as well as the presence of complaint and feedback mechanisms. Safeguarding, corruption, fraud, human trafficking, anti-terrorism and anti-money laundering form part of the internal controls being assessed.

Section 10 (Gender Diversity, Equity and Inclusion): Examines or assesses organizations' policies and practices on this area from a programming and internal perspective. Among key areas being assessed are staffing; beneficiaries' selection; implementation & MEAL; the working environment; among others.

Section 11 (Protection and Safeguarding): Assesses policies, practices, compliance and general awareness on issues around protection & safeguarding among staff and decision makers within the organization. From a programming perspective, the assessment also analyses evidence of protection and GBV mainstreaming in the assessed organizations strategy and existing programs.

Section 12 (Program Capacity and Quality): Assesses program plans from short-, mid-term and long-term perspectives, as well as program objectives hierarchy (such as the logical and results frameworks). It also assesses the organization's capacity to document activities and results for effective implementation, planning, and program development as well as reporting to donors in a complete, reliable and timely manner.

Section 13 (Financial Management): Examines policies, guidelines and manuals that guide financial management and administrative activities. In addition, approved (by the board) charts of accounts and annual operational budgets (showing income and expenditure) are also examined / assessed. The assessment also looks at staffing issues (a functional and competent finance / accounting department) and hierarchy of approvals. It also looks at financial management information systems.

Section 14 (Resource Mobilization): Examines the availability of resources to cover programming and non-programming activities within the organization. In addition, capacities for resource mobilization are also assessed, such as external linkages, partnerships and consortia networks in country, regional or with the government.

Section 15 (Logistics and Procurement): Existence of an organizational procurement policy with validated thresholds to guide approval limits, up to date asset registers, policy around declaration of objectivity and confidentiality during procurement and tender processing.

Section 16 (Capacity Strengthening): This section proposes areas of capacity building for the assessed organization based on observations and analysis of all the areas assessed in the previous sections. Focus is on organization capacity, risk mitigation, programming capacity, financial capacity and supply chain capacity.

Despite the success of drafting the tool, effective implementation has been confronted with significant challenges. One of the primary issues is ensuring its widespread acceptance and the consistent application of its standards by all involved parties, including INGOs and the funding community. Moreover, there is an imperative to verify that the tool not only assesses operational capabilities but also aids in the long-term institutional strengthening of LNGOs. This discrepancy underscores a broader concern: while the tool aims to address certain immediate operational challenges, it might not fully tackle the more extensive systemic obstacles facing LNGOs, such as securing funding, engaging in decision-making processes, and overcoming policy limitations that restrict localization efforts.

Overall, though the tool is yet to be streamlined, it emerges as a response to the operational inefficiencies and inequitable power dynamics within the humanitarian sector in Somalia. Through its development and intended implementation, the Somali NGO Consortium aims to foster a more unified, equitable, and efficient approach to humanitarian assistance. However, the challenges it faces underscore the complexity of the localization agenda and the systemic issues that persist in the humanitarian ecosystem.

KEY TAKEAWAYS

- **The Somalia NGO Consortium has grown into a robust network of over 82 local and international NGOs, focusing on advocacy, information exchange, and supporting the localization of humanitarian efforts through initiatives like the Localization and Partnership Working Group.**
- **To address challenges faced by national NGOs the SNC developed a harmonized Standardized Partnership Assessment Tool (SPAT) aimed at streamlining the capacity assessment process by unifying criteria used by INGOs.**
- **The tool faces challenges in gaining widespread acceptance and ensuring it supports long-term institutional strengthening of L/NNGOs, while addressing systemic issues like funding and policy barriers. Despite these hurdles, it aims to create a more equitable and efficient approach to humanitarian assistance in Somalia, though the complexities of the localization agenda remain.**

