

Dialogue for action on aid localization in Somalia

Key points

- There is a growing realization across the humanitarian system that creating stronger partnerships and greater inclusivity between international organizations and national NGOs is crucial to developing better aid delivery.
- The Grand Bargain, an agreement entered into by more than 30 of the biggest donors and aid providers at the World Humanitarian Summit in 2016, was the first step in the localization process. The Grand Bargain committed donors and aid organizations to providing 25 per cent of global humanitarian funding to local and national responders by 2020, along with more money that is not earmarked, increased multi-year funding to ensure greater predictability and continuity in humanitarian response, to incorporate capacity strengthening in partnership agreements, to reduce barriers that prevent partnerships between local and national responders with donors and include local and national responders in international coordination mechanisms.
- However, in continuing to strengthen the capacity of local humanitarian responders, there are numerous challenges, identified by both local and international actors that are barriers to greater aid localization.
- Overcoming these barriers requires inclusive and constructive dialogue between donors, UN agencies, INGOs, and local organizations NGOs to build mutual trust and respect.
- The workshop brought together Somali and international humanitarian organizations to share experiences, review best practices and map a way forward.

Introduction

Around the world, in multiple humanitarian crises and development situations, the issue of aid localization is crucial. Somalia is one such area where a growing number of Somali-led NGOs are looking to play a greater, more equal role in tackling the desperate situations that exist there, alongside their international counterparts, who currently lead the humanitarian response.

There are a range of challenges in the current context, which are preventing this from happening. Many of these barriers are visible to all actors involved, yet their viewpoints can be alarmingly different. If progress is to be made, it requires an understanding from all the stakeholders about each other's constraints, challenges and proposals.

The two-day dialogue for action on aid localization in Somalia held in Nairobi on 22 and 23 May, aimed to bridge the gaps that exist between the local and international actors, and to create innovative solutions as to how these groups could better cooperate and form long term partnerships in the future, rather than having short term contractual agreements.

The workshop was organized by the Somali NGO Consortium (www.somaliangoconsortium.org), the NEAR Network and the Rift Valley Institute, and was facilitated by the Centre for Humanitarian Change.

The first day involved representatives of Somali organizations, who came together to discuss the challenges they face and develop common solutions and collective messages to discuss with international actors. On the second day, they were joined by representatives from donors, INGOs and UN agencies. This provided a common space for the stakeholders to voice their concerns, identify obstacles and propose broad solutions, aimed not at solving the issues piecemeal but at providing

recommendations on what the next steps should be in the localization process.

Background

In 2016, representatives from organizations from around the globe attended the World Humanitarian Summit and agreed to the Grand Bargain, a collective effort aimed at creating a greater partnership between local actors and their international counterparts. This effort produced ten work streams. Among the streams are transparency, localization, cash based programming, reducing management costs, improving needs assessments, and funding. The international organizations and donors pledged to give 25 per cent of funding to local and national responders by 2020. Another, similar, initiative that emerged, led by INGOs, was the Charter for Change. This advocates for similar changes—transparency, partnership, recruitment, advocacy, equality, support, promotion and direct funding (20 per cent) of their humanitarian funds to local organizations. While the funding forms a crucial aspect of these initiatives, it is also vital that effort is invested in developing long-term partnerships that will allow local actors to take a central role in humanitarian support and development, in representing the needs of affected people, determining how to respond to those needs and in decision-making around fund allocation. The funding is therefore a means to an end. The main objective of the localization is for local and national actors to have capacity to respond effectively.

Rationale for localization

Several reasons were put forward and agreed upon by all workshop participants as to why there is a need to promote greater aid localization. These were framed around local organizations representing their communities and being:

- *First responders:* In many situations, local organizations can and often are the first responders, due to their strategic understanding of the locations and communities they work with and in, as well as their geographic concentration and ability to target. This is contrary to larger international organizations who tend to operate across a country and have a wider focus.

- *Understanding the context:* Local grassroots organizations with a presence in a community are trusted by those communities. Their local knowledge enables them to understand the context in which they are operating. In some cases, there might be local practices which may aid a particular programme, but which are not tapped into by international actors.
- *Ownership:* it is important that Somali organizations play a leading role in representing their communities and the development of their country, with international actors in a supportive role.

Challenges identified by local actors

On the first day of the workshop, Somali NGOs identified the key challenges that, from their perspective, are barriers to long-term partnerships:

- *Lack of trust:* Since the 2011 famine in Somalia, there has been a distinct lack of trust between international and local organizations. The international and local representatives acknowledged that prior to 2011, their relationships were constructive. A spate of corruption cases, combined with ineffective accountability and transparency measures, led to a period where distrust framed the discussion on localization and on increasing leadership from Somali civil society and government organizations.
- *Short-term engagement:* As a result, many local NGOs were used as sub-contractors by the international organizations, which would allocate them funds for a specific projects and deliverables. When those projects were completed and the contracts ended, there was often no further contact between the two organizations until a new project was agreed upon. Therefore, the relationships lacked the substance and continuity that would contribute towards mutual development and respect.
- *Capacity assessments:* These assessments are a core requirement by donors and international organizations for local NGO to access funding. The latter accept the need for such assessments. However, international organizations have different capacity assessments and passing one does not automatically make an organization eligible.

The assessments are expensive and time consuming. This process potentially prevented some local NGOs from accessing funding as they could not afford the assessments or did not have the in-house capacity to conduct them. In addition, local organizations felt that the lack of coordinated feedback from these assessments meant they could not develop their capacity in the specific required areas. Furthermore, the lack of follow up by international agencies on identified capacity development needs means that the capacity assessments merely became a contracting tool rather than part of a longer term process to develop a strong civil society in Somalia.

- *Lack of relevant, long term capacity strengthening:* The breakdown of trust has led to the idea that there is a lack of accountability and transparency within local organizations. The INGOs are reluctant to partner with them as they are not confident that the local institutions have the capacity to manage large projects or the sums of money, or to address the needs of their communities. However, many Somali-led organizations have substantial experience working in Somalia, and sometimes outside it too. They are frustrated at the lack of vision on their potential role and the need to build capacity to attain these goals. Without this vision, local NGOs struggle to build capacity, retain staff and maintain their facilities, and ensure transparency. Yet, the lack of capacity is used to justify a lack of trust, a reluctance to enter into partnerships and to allocate funding to develop capacities in a systematic way.
- *Representation:* Many of the decision-making bodies that oversee projects within Somalia have few Somali representatives. This results in many local NGOs being left out of the policy dialogue and without a unified voice to represent their communities. Furthermore, there is a frustration amongst the few local representatives, who believe that many of the decisions made are pre-determined.
- *Funding:* A great source of frustration for local NGOs was the lack of funding for overhead and administration costs. Yet, the local organizations are required to retain staff, maintain offices, and implement assessments

and procedures to access the funds. The impact of this is that most local organizations struggle to keep qualified staff and often lose them to bigger organizations. They struggle to operate or are unable to operate after the conclusion of the projects. The inefficiencies of the supply chain for funds—from donor to fund manager, to a subcontracting organization, to local organization—further diminishes the funds available to cover overheads at each stage of the process.

- *Lack of direct communication:* Local organizations felt that communicating through an intermediary—usually an international organization—denies them the chance to explain their funding needs, resulting in a breakdown in cooperation.
- *Lack of a common approach:* Defining what aid localization means is a challenge as different actors have different ideas about the concept. This results in a lack of a coherent and coordinated strategy, and challenges in how to measure progress.

Challenges identified by international actors

The second day of the workshop provided a chance for the local and international representatives to share and debate ideas, and identify joint objectives and next steps. In the resulting dialogue, there were opportunities for the international organizations to voice what they saw as challenges of aid localization:

- *Stricter accountability regulations:* Their accountability to their governments who are increasingly stricter on aid funding and transparency. As a result, they have stricter risk management policies that put greater emphasis on the capacity of Somali NGOs to be accountable and transparent, thereby hindering the development of any long-term relationships with local partners.
- *Aid management:* Different cultural approaches to how aid is managed can create an environment of distrust and lead to a breakdown in communication between potential partners.

- *Competition:* There is an environment of competition among all the actors, especially when it comes to allocating funds. Organizations, both local and international, find themselves competing for money from donors, which can result in less cooperation and coordination. The lack of a common vision of the objectives of localization and the role of Somali civil society means that funds are not allocated to their development.
- *Fund administration:* It is easier to allocate large amounts of funds to one organization that has the capacity to handle it, rather than to distribute smaller amounts to local organizations who can only manage small amounts.

Ways forward

Having identified the major challenges to localization from both the viewpoints of the Somali organizations, and internationals there was a collective interest to identify ways to address them. Many of the challenges that were explored were classified into five main categories: capacity assessment, representation, partnership development, and funding. Each proposed solution could apply to more than one category.

Capacity assessment

- The development of a single capacity assessment model to be adopted and applied by all UN agencies and INGOs.
- Within this single assessment, the creation of a portal with capacity assessment tool kits, information, learning materials and feedback processes, which will allow organizations to prepare, as well as understand what areas need strengthening.

Representation

- Aim for a broader and more equal representation of all parties in decision-making bodies, particularly at a national level, including representation by government authorities.
- Develop a stronger local NGO consortium that can represent a unified voice of Somali-led organizations.

- Create national Somali-led coordination forums that can facilitate dialogue between all humanitarian and development actors.
- Demonstrate a Somali-led vision by having Somali leadership in all regional clusters.
- Allow for affordable subscription fees for local organizations that struggle to afford the membership of important bodies.
- Provide travel subsidies so that local organizations can attend meetings.

Funding

- The creation of a Somali civil society fund specifically for, and managed by, Somalis in which donors and international organizations participate as observers, and which allows local NGOs to meet directly with donors.
- Set funding targets that take into account the overheads and administrative costs of local NGOs, so that they have the capacity to be effective organizations that can better represent the needs of their communities and deliver assistance effectively.
- To continue to work towards all the commitments specified in the Grand Bargain, including the 25 per cent funding goal.

Long-term partnerships

- Develop coordination mechanisms and a strategy that invests in long-term partnerships, helps to build trust and creates a system of equality and mutual respect.
- Form and develop regional or thematic consortiums that will allow donors to fund larger programmes for local organizations to lead.
- Host multiple roundtables and annual 'key stone' events that will enable feedback on partnerships and provide learning opportunities.

Capacity strengthening

- Review the process of capacity strengthening to ensure that it is beneficial to Somalis, as well as mutually beneficial to the local and international actors.

- Create indicators that can demonstrate progressive capacity development in local organizations, provide a measure of quality assurance and progress towards greater aid localization.
- Such indicators can provide a measure of quality assurance to identify when organizations have sufficient capacity to manage larger resources to respond more effectively to the communities' needs.

Conclusion and next steps

The aim of the workshop was to start a candid dialogue and discussion between aid actors about broad challenges and solutions in realizing the aid localization commitments, and to allow for further dialogue on the implementation of the agreed measures. Having identified broad solutions, several local and international organizations, volunteered to take the lead on taking forward certain proposals.

Several representatives of international and Somali NGOs agreed to work together on a document that would outline and propose a funding plan and target, aimed at tackling overhead

and administration costs for local NGOs. The document would be tabled at a future forum, which would seek to involve all the concerned stakeholders.

Another group committed to work on putting together a standardized capacity assessment, that could be adopted by UN agencies and INGOs.

Another group planned to research possibilities of Somali pool funding, with the help of international actors, the government of Somalia and the Somali diaspora. Alongside this, several volunteered to take part in the development of a framework that will enable donors to directly support the Somalia NGO Consortium.

Others agreed to work on developing a set of partnership principles that will articulate an aid localization framework, and more clearly define what is meant by the term.

It was concluded that proposals for these practical steps should be presented at the next forum on aid localization to be held in Mogadishu. This would facilitate both the rapid implementation of commitments agreed by those attending the next aid localization forum, as well as fostering local ownership of the process.



Credits

This report is based on the record of an event organized by the Rift Valley Forum for the Somalia NGO Consortium, facilitated by the Centre for Humanitarian Change. It was held from 22–23 May 2017, and organized with support from the Humanitarian Leadership Academy and the Swiss Agency for Development and Cooperation. The rapporteur was Alexander Atkins.

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