



International
Council of
Voluntary
Agencies



Partner Capacity Assessments of Humanitarian NGOs

FIT FOR THE PURPOSE?

HFTT presentation 27 May 2015

By Thomas Lewinsky Consultancy



International
Council of
Voluntary
Agencies



Acknowledgements

- This study was conducted under the leadership of ICVA and OCHA/FCS as part of the IASC – HFTT work-plan and under the guidance of a Technical Steering Group composed by ICVA, OCHA/FCS, UNICEF, UNFPA, German MOFA and HI.
- Funding for the study was provided by the German Federal Foreign Office



Background

- Funders currently apply a range of partner capacity assessments (PCA) to determine humanitarian NGOs eligibility for external funding
- Part of due diligence requirements to establish accountability assurances and to assess programmatic and financial capacities
- Though assessments cannot be avoided, are funders asking the right questions in terms of quality, quantity and context?
- How to strike pragmatic balance between the need for due diligence, risk management and accountability by funders and the realities of NGOs operating in variety of humanitarian contexts?



Study design

- Mapping of a PCA tools and methodologies currently applied by different funders
- Analysis of commonalities and differences in PCA approaches applied by funders
- Prospect of harmonisation of PCAs, some good practices from the field to learn from
- Actionable opportunities to make shifts towards “good enough” assessment practices in future
- Recommendations for HFTT to influence upcoming donor policy consultations and make PCAs of NGOs more fit for purpose.



Names and numbers

- Desk study and 30 semi-open-ended interviews
- Multi and bilaterals: UNICEF, UNHCR, UNFPA, OCHA, German Foreign Office, GHD repr.
- NGOs: ICVA, START Network, Oxfam, IRC, CAFOD, Concern, Handicap International, CARE, Global Communities, Mercy Malaysia, CFSI, OFADEC, Partnership Initiative Turkey
- PCAs mapped: OCHA, UNICEF, UNFPA, UNHCR, START network, Concern, IRC, CARE
- Technical Steering Group: ICVA, OCHA, UNICEF, UNFPA, German Foreign Office, Handicap International



Extensiveness, transparency, overview

- PCAs become still more demanding, lengthy processes, substantial investments of time and resources by all parties
- PCA often preceded by extensive due diligence requirements and risk assessments adding up
- Leads to high transaction costs, barriers of entry for many NNGOs
- NGOs appreciate need for assessment to match funder mandates and for accountability assurances, but feel overwhelmed, duplication
- PCA process not always seen as transparent, complicated, hard to establish clear overview, less client oriented
- Consultant also found it hard to establish overview, info difficult to access, funders often cautious about sharing PCAs – “company secrets”



Is more better, risk caution

- Unclear correlation between in-depth partner assessments and increased quality of performance of NGOs, often questioned
- Lack of link between the amounts of donor funding involved and degree of scrutiny of individual NGO, too heavy requirements?
- Financial accountability measures drive bulk of PCAs and due diligence exercises, less focus on programmatic performance of NGOs
- Risk management is contentious among funders, terminology differs, leads to over cautiousness – who is willing to take risks?
- Absence of shared common understanding of risk makes NGOs the losers, having to comply with ever increasing fiduciary requirements



Harmonization, fit for NNGOs

- Limited appetite for harmonization, if results in rigid standardization, but all in for simplification
- Need to keep space for flexibility to operate in variety of humanitarian contexts, discretionary action at country level supported
- Agreement PCAs less suitable for NNGOs, often assessed in the same way as INGOs working at scale
- Represents a real barrier of entry and lost opportunity to engage key NNGO actors with access to communities
- Must NNGOs learn how to meet requirements of funders, or must funders lower barriers of entry, supporting NNGOs in their long term growth?



What is a partner?

- Design of PCA a reflection of how the funder views the role of a partner
- Is partner primarily sub-contractor or is relation viewed as long-term transformative partnership?
- Relates to how closely the funder and the partner work together, for how long, and based on which mandates
- Continuous capacity development support as goal in itself for transformative growth or to support agreed deliverables short term
- “Putting in place numerous checks and balances helps document how funds were allocated and how they were reported back on, but may not necessarily lead to better programmatic results”



Emerging good practices

- Pakistan RAPID Fund with OFDA: light touch PCA with fast delivery and follow up, client orientation
- Partnership Initiative Turkey: harmonized PCAs for Syrian NNGOs self-assessment, links to funding still to happen
- EU Bekou Trust Fund CAR: Lowering barriers of entry to pooled funding, harmonised donor approach, challenging humanitarian context
- OCHA Somalia: shift from control-based to a proactive risk management approach, risk management coordination and dialogue among actors
- START – Financial Enablers Philippines: Pooled funds managed by national consortium, defines needs & eligibility criteria, funder challenged to relax control measures in order to create innovative space



Recommendation 1

- PCAs and due diligence procedures should be proportional to the scale of operations of NNGOs and better reflect the specific characteristics of NNGOs in various country settings, which often include smaller scale operations with less advanced organisational systems in place



Recommendation 2

- PCA and due diligence procedures should be made more accessible by fund providers and agencies including development of simple graphical illustrations, process overviews and FAQs on their website.



Recommendation 3

- To enhance understanding between funders and “fundees”, funders should make dedicated efforts to establish regular communication and dialogue with potential partners at country level about what is being assessed, why and how the information will be used.



Recommendation 4

- In order to make possible collective fast tracking of humanitarian civil society funding INGOs and NNGOs must proactively coordinate needs assessments of national civil society organisations. This could be done by developing and implementing a shared set of recognised PCA criteria to be used as baseline for potential donors.



Recommendation 5

- UN agencies and INGOs at country level should routinely engage in dialogue and coordination efforts around applied risk management frameworks, led by the Humanitarian Country Team, in order to arrive at shared terminology and collective approaches to risk management, reducing unnecessary duplication and overlap.



Way forward

- Study merely scratches the surface of complex field of actors, politics, administration, agency mandates and partnership perceptions in different contexts
- More in-depth tracer studies required of individual and collective agency practices to allow for broader comparisons across agencies in different humanitarian settings of effective assessment approaches
- May inform future donor coordination and policy discussions as innovative examples of how to organise partner assessments guided by a minimum set of "good enough" requirements, making them "fit for purpose"



Entry points for HFTT?

- Dialogue around future Principles of Partnership
- Good Humanitarian Donorship Initiative
- NGO Dialogue Platform
- Pooled Fund Working Group
- Future Humanitarian Financing initiative
- Upcoming events.....?
- Thank you!

