CAPACITY DEVELOPMENT OF LOCAL ORGANIZATIONS: THE NUPAS PLUS ASSESSMENT TOOL

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BACKGROUND

ACCELERATING SUPPORT TO ADVANCED LOCAL PARTNERS (ASAP)

Local implementing partners are pivotal for sustainable HIV epidemic control, providing essential services to meet national and global targets. However, they have had limited organizational growth opportunities, primarily working as sub-recipients to international organizations. Since 2019, ASAP, led by IntraHealth International, has been providing locally sourced and embedded capacity-building technical assistance to support individual local partners to achieve compliance and performance standards. ASAP focuses on sub-Saharan Africa and has two strategic objectives:

1. Strengthen local partners as they transition to receive PEPFAR funding as a USAID Prime Partner to comply with regulations.
2. Prepare local partners to directly manage, implement, and monitor PEPFAR programs, and maintain consistent PEPFAR program achievement and quality.

ASAP's focus is on award management as an entry point to organizational development, and it does not focus on technical service delivery capacity.

FROM NUPAS TO NUPAS PLUS

To inform the capacity-building process, ASAP developed an organizational assessment tool based on USAID's existing tool, the Non-US Organization Pre-award Survey (NUPAS).[1] The standard NUPAS has six domains with 28 questions to make three determinations:

1. Whether the local partner has sufficient financial and managerial capacity to manage USAID funds in accordance with US Government and USAID requirements
2. The most appropriate method of financing to use under the potential USAID award
3. The degree of support and oversight necessary to ensure proper accountability of funds to be potentially provided to the organization.

ASAP developed NUPAS Plus by adding questions to identify the root cause of weaknesses in the six NUPAS

[1] https://www.usaid.gov/sites/default/files/documents/1868/303sam.pdf

domains and added 15 domains (with 361 questions) to capture relevant information not included in the original NUPAS.

Table 1. NUPAS/NUPAS Plus Domains

NUPAS	NUPAS Plus
1. Legal Structure	1. Legal
2. Financial Management and Internal Control Systems	2. Finance
	3. Fraud
	4. Procurement and Logistics
3. Procurement Systems	5. Property Management
	6. Information Technology
4. Human Resources Systems	7. Human Resources
	8. Monitoring and Evaluation
5. Project Performance Management	9. Gender Equality and Social Inclusion
	10. Governance
6. Organizational Sustainability	11. Business Development
	12. Sustainability
	13. Mandatory Standard Provisions
	14. Required as Applicable Provisions
	15. Environmental Mitigation and Monitoring

DEVELOPMENT OF NUPAS PLUS

The development of the NUPAS Plus tool version 1.0 began a month after the start of the ASAP Project in May 2019 and it has undergone review by technical experts from 15 international organizations (Abt Associates, CARE, Chemonics International, Elizabeth Glaser Pediatric AIDS Foundation, FHI 360, Foundation for Professional Development, Global Communities, IntraHealth, JSI, Management Sciences for Health, Pact, Palladium, PATH, SustainAbility Solutions, and World Vision) and been tested in seven countries (Cameroon, Cote d'Ivoire, Ethiopia, Namibia, Lesotho, Mozambique, and Uganda) and translated into French and Portuguese. It was formally launched on May 14, 2020. As of September 2021, assessments had been conducted in 10 countries.

APPLYING NUPAS PLUS

NUPAS Plus scores for single items range from 1-4, and an average score is then calculated resulting in a score from 1-4 for each of the domains (see Figure 1).

ASSESSMENT PROCESS

NUPAS Plus is administered by a team of trained assessors with experience in one or a few of these areas: finance, grants, human resources (HR), performance management, monitoring and evaluation (M&E), information technology (IT), and gender. The assessment is conducted in a participatory manner with representatives from the local organization including (if possible) the Chief Financial Officer or Director, Chief of Party, a Board member, and representatives from the HR, finance, M&E, program implementation, and other relevant departments (if they exist); staff from all levels should be represented in the group. The assessment process takes approximately four weeks and includes:

- Introductory meeting of assessors and local partner
- Signing of memorandum of understanding
- Desktop review of documents and records from the local partner
- Interviews and observations (virtual or in-person if COVID-19 safe)
- Vetting of documents and records
- Analysis of financial statements and records
- Systems walk-through of a selected, limited number of transactions
- Sharing and reaching consensus on NUPAS Plus scores with the local organization.

NUPAS Plus allows organizations to see their level of capacity so that they may drill down in each domain and sub-domain to identify where there is "weak to inadequate" capacity. Even when major domains show adequate capacity there could be sub-domains that need focused attention (see Figures 2 & 3).

Figure 1. NUPAS Plus Scoring

Scoring	Scale	Description
1.0–1.5	Inadequate	Significant control weaknesses could expose the organization to significant financial or other losses or otherwise significantly impair its ability to manage USAID funds.
1.51–2.5	Weak	Significant control weaknesses exist that could expose the organization to unacceptable/inadequate levels of unmanaged risk.
2.51–3.5	Adequate	Although a control weakness was noted, compensating controls and other factors exist to reduce the residual risk within the organization to acceptable levels.
3.51–4.0	Strong	Overall, a strong control framework is in place. Some improvements may be recommended. No deficiencies or low risk.

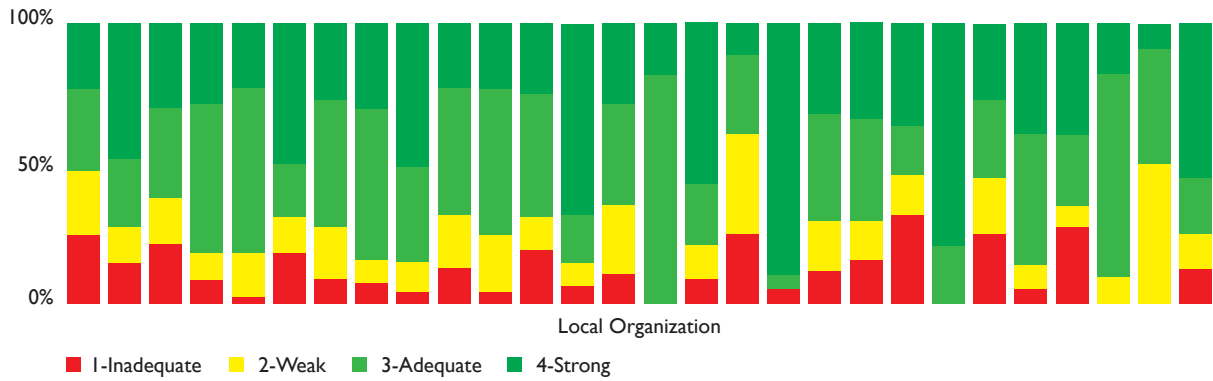**Figure 2. NUPAS Plus baseline scores by capacity level (28 assessments)**

■ 1-Inadequate ■ 2-Weak ■ 3-Adequate ■ 4-Strong

Figure 3. NUPAS Plus baseline scores for IT major and sub-domains for 21 local partners

Domain/Subdomain	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
12. NUPAS Plus Information Technology	1.06	1.06	1.94	2.44	3.98	1.86	2.05	1.56	3.80	2.63	3.95	3.16	3.30	1.84	2.48	1.91	3.70	3.75	3.26	3.29	3.80
12a. IT Committee	1.00	1.00	2.00	2.00	4.00	1.00	1.00	1.00	4.00	1.00	4.00	2.75	4.00	1.00	1.50	1.00	4.00	4.00	4.00	2.00	4.00
12b. IT Plan	1.00	1.00	1.00	2.00	4.00	1.75	1.25	1.00	2.50	1.00	4.00	1.00	1.00	1.00	1.00	1.00	3.50	4.00	1.00	4.00	4.00
12c. IT Risk Mitigation	1.00	1.00	1.00	2.00	4.00	1.00	1.00	1.00	4.00	1.00	4.00	4.00	2.75	1.00	1.00	1.00	1.00	4.00	1.00	1.00	4.00
12d. Cybersecurity	1.00	1.00	2.00	2.00	4.00	1.00	1.00	1.00	3.50	1.00	4.00	4.00	4.00	1.00	1.00	1.00	4.00	4.00	3.00	3.00	1.00
12e. Access	1.00	1.00	2.00	2.00	4.00	1.00	1.00	1.00	3.75	1.00	4.00	1.00	1.00	1.00	2.00	1.00	3.50	4.00	3.00	3.50	3.00
12f. Staff Terminations	1.00	1.00	2.00	2.00	4.00	1.75	1.00	3.00	4.00	2.50	4.00	3.00	3.50	1.00	3.50	1.00	4.00	4.00	3.50	3.00	4.00
12g. Data Retention	1.00	1.00	2.00	2.00	4.00	1.75	1.00	1.00	3.00	2.00	4.00	1.00	4.00	1.00	3.00	1.00	4.00	4.00	4.00	4.00	4.00
12h. Error Tracking System	1.00	1.00	2.00	2.00	4.00	1.00	1.00	1.00	4.00	1.00	4.00	4.00	4.00	1.00	2.50	1.00	4.00	4.00	3.00	3.00	4.00
12i. Disaster Recovery	1.00	1.00	2.00	2.00	4.00	1.00	1.00	1.00	3.75	1.00	4.00	1.00	3.00	1.00	1.00	1.00	2.00	4.00	1.00	2.00	4.00
12j. Segregation of Duties	1.00	1.00	2.00	2.00	4.00		1.00	1.00	4.00	4.00	4.00	3.00	3.75	1.00	3.00	1.00	4.00	4.00	4.00	N/A	4.00
12k. Back-ups	1.00	1.00	3.00	4.00	3.50	2.00	4.00	2.75	3.75	2.00	3.00	4.00	3.75	2.00	3.00	2.00	4.00	2.00	3.00	2.00	4.00
12l. Antivirus	1.00	1.00	2.00	4.00	4.00	4.00	1.00	1.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
12m. Firewall	1.00	1.00	2.00	4.00	4.00	1.00	1.00	1.00	4.00	4.00	4.00	4.00	4.00	4.00	3.00	4.00	4.00	2.00	4.00	4.00	4.00
12n. Guest Network	1.00	1.00	2.00	2.00	4.00	1.00	2.00	1.00	4.00	4.00	4.00	4.00	4.00	1.00	2.00	3.00	4.00	4.00	4.00	4.00	4.00
12o. Operating System Update	1.00	1.00	2.00	3.00	4.00	3.75	4.00	2.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	3.00	4.00	4.00	4.00
12p. Updating Workstations Laptops/Computers					4.00	3.75	4.00	4.00	4.00	4.00	4.00	4.00	4.00	3.25	3.50	3.00	4.00	4.00	4.00	3.75	4.00
12q. Software Installation and License	1.00	1.00	2.00	2.00	4.00	2.50	2.75	2.50	4.00	4.00	4.00	3.00	2.50	2.50	2.50	2.25	4.00	4.00	4.00	3.75	4.00
12r. Passwords	2.00	2.00	2.00	2.00	4.00	1.00	4.00	1.00	3.75	3.00	4.00	3.75	3.00	1.00	1.00	1.00	4.00	4.00	3.50	3.50	4.00
12s. Automatic Shutdowns	1.00	1.00	2.00	3.00	4.00	1.00	4.00	1.00	4.00	4.00	4.00	3.75	3.75	1.00	3.00	1.00	4.00	4.00	N/A	4.00	4.00
12t. Licenses					4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	2.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00

Table 2. Example of documents for a domain

NUPAS Criterion 1: Legal structure

1. Organization's registration documents (e.g., deeds of trust)
2. Board and subcommittee charter(s)/constitution
3. Board members' declarations of interest
4. Environmental compliance certificate (as applicable)
5. Annual report (for the latest financial year)
6. Internal audit charter and plan (where applicable)
7. Current organogram
8. Minutes of Board and subcommittee meetings for the previous 12 months
9. Corporate calendar for the previous 12 months
10. Current organizational strategic plan
11. Board and key management succession plan

SPECIAL AWARD CONDITIONS

If an organization does not meet certain minimum requirements (i.e., scoring a 1-1.5) but otherwise is found responsible, the USAID Agreement Officer may use special award conditions to make an award and provide conditions that allow the organization to meet all of the minimum requirements during the award period. ADS 303.3.9.2 contains USAID's policy for using special award conditions for non-US NGOs. ASAP makes recommendations to the Special Awards Committee (SAC). For example:

Within 30 days of receiving the award, the local partner has to meet the following:
- All Board members must sign conflict of interest forms
- Develop a payroll cost allocation system
- Develop a cost recovery plan
- Ensure compliance with USAID provisions: certifications
- Obtain insurance for cybersecurity and data loss and recovery
- Update and approve anti-fraud policy

Within 60 days:
- Hire a dedicated Senior Monitoring and Evaluation Advisor
- Implement systems and processes for data auditing and data quality assessments

Within 90 days:
- Develop the Activity Monitoring, Evaluation, and Learning Plan
- Develop a sustainability plan.

ACTION STEPS AFTER THE NUPAS PLUS ASSESSMENT

1. Develop Capacity Development Plan, which may include SAC recommendations
2. Assign local ASAP capacity advisor(s) with skill sets in areas for improvement
3. ASAP advisors provide on-site technical assistance for 2-12 months
4. Advisors provide in-person (when possible and safe) and online training
5. Local partner conducts self-assessment to measure change
6. External reassessment submitted to USAID.

The NUPAS Plus results lead to preparing and following a Capacity Development Plan (CDP). ASAP advisors follow five key steps for successful completion of CDPs:

1. *Engage all relevant stakeholders*
   - Engaging all stakeholders throughout the capacity-building process, especially the most relevant staff members, leads to ownership of the process.
2. *Assess capacity needs and resources*
   - For sustained results from the capacity-building process, the capacity-building needs should be aligned with the available resources.
3. *Formulate a capacity development response*
   - This includes the capacity development actions that address the capacity development opportunities identified.
4. *Implement a capacity development response*
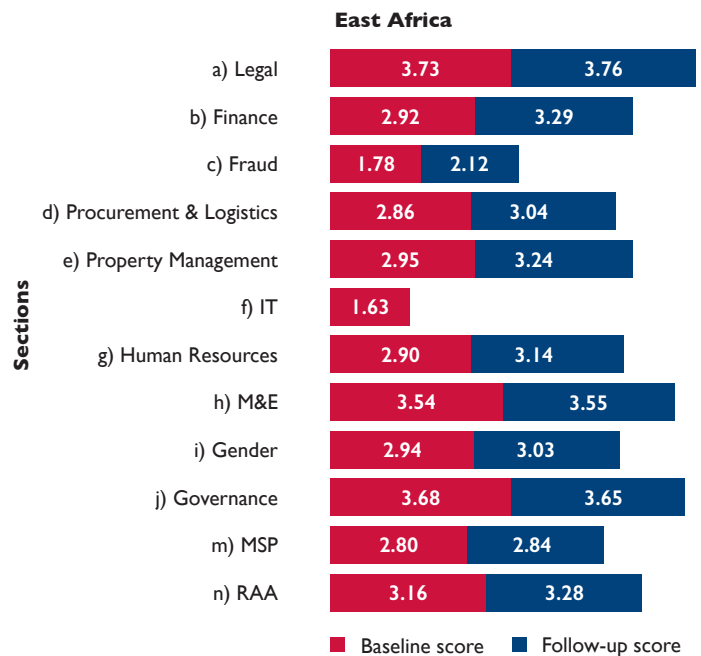   - This includes responding to changes when they happen.
5. *Evaluate capacity development*
   - This step promotes accountability, performance management, and learning. Measurement is based on clear evidence of change in the organization's performance, adaptability, and stability to meet its goals.

REASSESSMENTS

ASAP has started to collect 12-month follow-up data for some of the local partners. Figure 4 provides an illustrative example from East Africa showing areas of improvement on NUPAS Plus after a year of capacity building (excepting the domain of IT, which had not been reassessed).

Figure 4. NUPAS Plus baseline and follow-up by major domains, example from East Africa

East Africa

Sections	Baseline score	Follow-up score
a) Legal	3.73	3.76
b) Finance	2.92	3.29
c) Fraud	1.78	2.12
d) Procurement & Logistics	2.86	3.04
e) Property Management	2.95	3.24
f) IT	1.63	
g) Human Resources	2.90	3.14
h) M&E	3.54	3.55
i) Gender	2.94	3.03
j) Governance	3.68	3.65
m) MSP	2.80	2.84
n) RAA	3.16	3.28

Tangible improvements by local partners are also seen when they can comply with USAID requirements by developing or updating policies and tools that are approved by their Board of Directors (see Table 3).

LESSONS LEARNED

EXPERIENCE WITH LOCAL ORGANIZATIONS

- Generally, local partners participating in the NUPAS Plus assessments are cooperative in providing necessary documents and actively participate in the interviews. Senior management tends to be keenly involved in the review process.
- Local partners are eager to improve their systems to be ready to work with USAID. This includes the readiness to accept and implement recommendations as reported from the review. Often, recommendations are implemented during the review process, even before the NUPAS Plus report has been shared with the organization and USAID.
- Administering the tool is a transparent and collaborative learning process in terms of local partner improvements identified and recommendations

Table 3. Examples of Organizational Improvements

DOCUMENT/POLICY/TOOL APPROVED BY BOARD
LEGAL
• Procedures for compliance with donor rules and regulations
• Criminal record check policy
• Compliance with donor reporting
FINANCIAL
• Filing and document retention policy
• Cost management policy
• Finance manual
• Audit recommendations checklist
• Compliance checklist
FRAUD
• Timesheet policy
• Compliance risk matrix
• Partnership risk matrix
• Finance risk matrix
• Risk assessment policy and process
• Whistleblowing policy and e-form
• Standard operating procedures
PROPERTY
• Fixed asset register
INFORMATION TECHNOLOGY (IT)
• IT manual
• IT risk assessment framework
• IT terms of reference
• IT plan finalized
HUMAN RESOURCES (HR)
• Staff orientation policy
• Study leave policy
• Timesheet policy
• Probation evaluation form
• Staff evaluation form
• HR manual
• Payroll reconciliation process and template
• Staff induction process
GOVERNANCE
• Board charter
• Delegation of authority policy
• Delegation of authority matrix
• Organogram
• Subaward manual
• Conflict of interest policy
• Annual declaration of conflict-of-interest questionnaire
• Conflict of interest declaration form
• Individual Board assessment
• Collective Board assessment
• Terms of reference of Board committees

made—it aids in the efficient administration of USAID projects.

- Local partners were not familiar with USG cost principles and needed extensive training followed by on-site technical assistance.
- Tools to conduct budget variance and pipeline analysis are needed by most local partners, as are stronger internal controls for procurement systems.
- There is no one-size-fits-all approach; each local partner evolves at different stages. Therefore, developing a capacity-building plan for each local partner based on assessment findings for each domain assessed is important.

EXPERIENCE WITH USAID MISSIONS

- Missions show commitment in supporting the review process and assisting local partners to reach the acceptable standards to properly administer USAID programs.
- Some Mission staff are willing to assist in interpreting and providing relevant materials for local country legal requirements.

NEXT STEPS

Based on the learnings from implementing NUPAS Plus, ASAP is developing NUPAS Plus version 2.0 with feedback from assessors and local partners. Version 2.0 will have additional modules on leadership and governance, subaward management, and quality improvement, as well as for key population-led organizations.

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