

ARUURI DUE- DILIGENCE METHODOLOGY GUIDANCE DOCUMENT



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INTRODUCTION

ARUURI PLATFORM SERVES AS A CONNECTION POINT BETWEEN THE GLOBAL DIASPORA AND IMPACT PROJECTS IN THE HORN OF AFRICA. THIS DOCUMENT SERVES TO PROVIDE TRANSPARENCY AND DIRECTION FOR THE OPERATION, SELECTION AND FACILITATION OF PROJECTS THAT ARE SUPPORTED BY ARUURI.

At Aruuri we aim for the highest level of ethical and transparency standards by providing a clear methodology and reasoning to our approach. We hope that through these efforts it will not only provide a meaningful way to create impact but also inspire greater trust in the work that we do.



HORN OF AFRICA BACKGROUND

THE HORN OF AFRICA IS A REGION OF PROFOUND CULTURAL DEPTH, RESILIENCE, AND NATURAL BEAUTY. IT IS HOME TO INTERCONNECTED COMMUNITIES SHAPED BY PASTORAL AND NOMADIC TRADITIONS, TRADE ROUTES, AND SYSTEMS OF MUTUAL SUPPORT THAT LONG PREDATE MODERN STATE BORDERS.

Across the region, people have historically organised around shared responsibility, collective survival, and deep ties to land and community. These traditions remain a powerful foundation for renewal today.

In the Somali region, decades of conflict have been compounded by recurring climate shocks and weak administrative governance. Similar pressures are felt across the wider Horn of Africa. In Djibouti, over 80% of food is imported and chronic water scarcity, alongside youth unemployment exceeding 60%, leaves communities highly exposed to global price shocks and drought. In northern Kenya, more than 4 million people regularly face acute food insecurity, with arid and semi-arid counties experiencing persistent gaps in maternal health, education access, and livelihood stability. In the Somali Region (Ogaden) of western Ethiopia, high poverty rates, recurrent drought, and limited health and education infrastructure continue to strain livestock-dependent communities. Across these contexts, climate volatility and economic fragility continue to stretch already limited systems.



Global humanitarian organisations have repeatedly stepped in to address urgent needs across the region. While this support has been vital, prolonged reliance on external aid has also created structural dependency in key sectors of development. Over time, this has slowed local economic growth, weakened community-led institutions, and, in some cases, contributed to mistrust due to poor accountability and misuse of funds.

This fragility was sharply exposed when the United States announced significant global reductions to USAID funding, with Somalia among the most affected. According to the NGO Consortium of Somalia, of 38 surveyed organisations, 60% relied on US funding, and 50% reported severe operational disruptions following stop-work orders. Critical sectors — including health, nutrition, WASH, food security, education, and protection — were heavily impacted. More than 10,000 beneficiaries were directly affected, with one organisation reporting disruptions for over 1.6 million people.

Across the Horn of Africa, these events underscored a shared reality: systems built primarily on external aid are highly vulnerable to global political and financial shifts. A more resilient future for the region depends on strengthening locally led solutions, rebuilding trust, and mobilising resources in ways that support dignity, accountability, and long-term self-reliance.



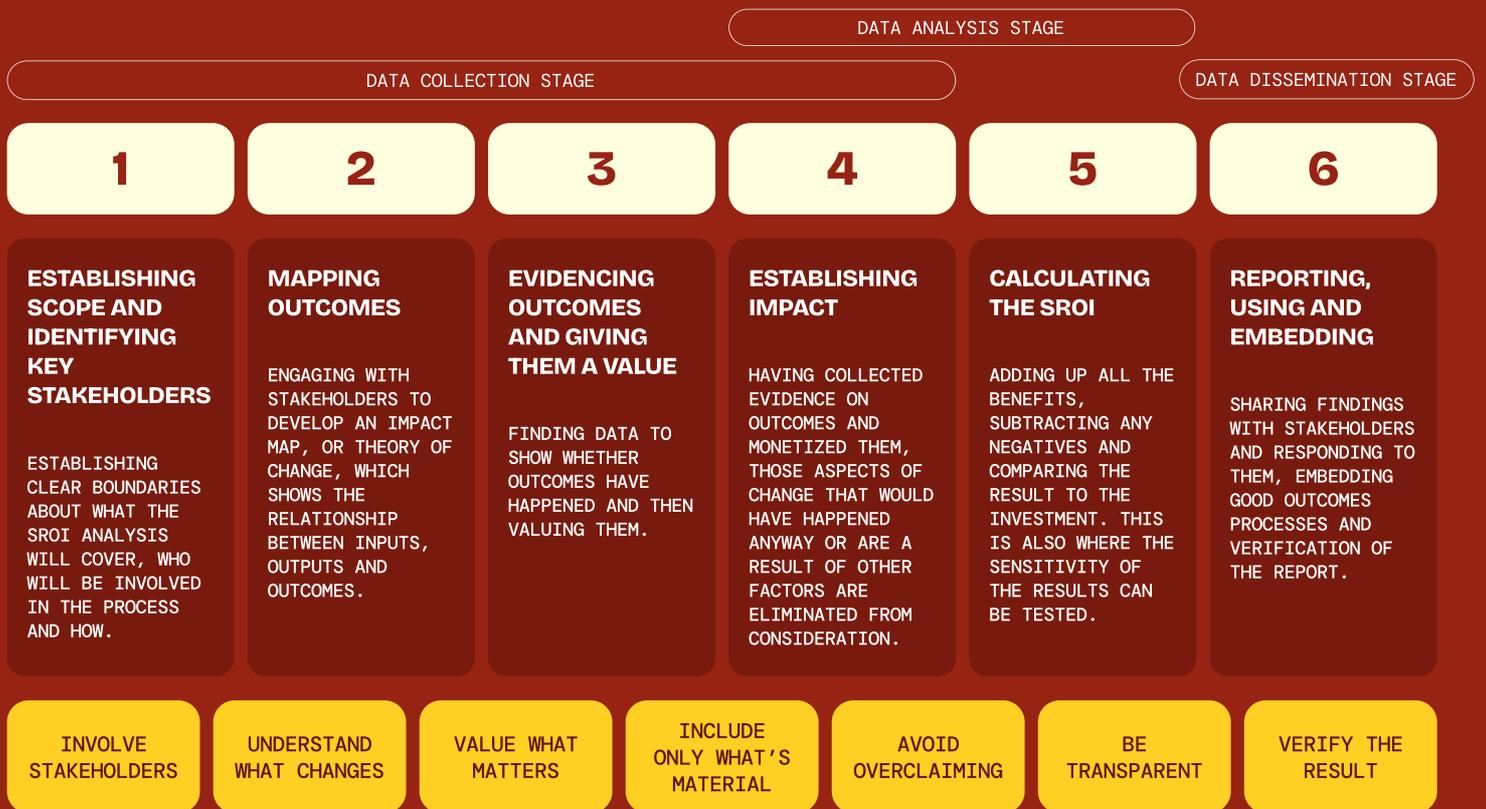
THIS IS THE CONTEXT IN WHICH ARUURI EXISTS TO SUPPORT THE HORN OF AFRICA BY BACKING COMMUNITY-DRIVEN EFFORTS THAT MOVE BEYOND DEPENDENCY AND TOWARD LASTING RESILIENCE

SOCIAL RETURN ON INVESTMENT (SROI) – THE PRIMARY FRAMEWORK

FOR ARUURI, PROJECT IMPACTS GO BEYOND JUST MONETARY. THE SYSTEMATIC GAPS AND ISSUES THAT NEED TO BE ADDRESSED IN THE REGION REQUIRE A ROBUST APPROACH TO SELECTING AND EVALUATING PROJECT IMPACTS. FOR ARUURI, THE FRAMEWORK WE HAVE SELECTED IS A FOCUS ON SOCIAL RETURN.

Although the value we hope to create goes far beyond what can be captured in financial terms, we want to ensure that all factors of the project are evaluated at a base-level. As a result, we plan to work with our delivery partners to put in place trackers to assess baseline levels as well as post interventional level. One of the biggest challenges in creating an evaluation system is to allow for there to be a robust system of measurement, while also not overwhelming the reporters on the project to the point where more effort is put into showcasing the project rather than completing it.

Social Return on Investment (SROI) is a framework for measuring and accounting for a much broader concept of value; it seeks to reduce inequality and environmental degradation and improve wellbeing by incorporating social, environmental and economic costs and benefits.



MICRO-GRANT RATIONAL

In a time where foreign aid is uncertain and complex funding applications stunt the abilities of vulnerable communities to efficiently tackle key issues, micro-grants prove to be the best solution available.

Aruuri’s approach to micro-granting is embedded in these core belief:

- Gaining rapid feedback from our partners to showcase impact and continuously iterate to prioritize the most impactful version of projects.
- The ability to pivot and pilot innovative solutions with minimal risk
- Minimizing waste of funds or resources ensuring that all of the limited grant funds are used directly for the project implementation
- Maximizing impact by working with several locally positioned delivery partners



MISSION IDENTIFICATION METHODOLOGY:

THERE ARE SEVERAL AREAS THAT ARUURI HAS IDENTIFIED AS KEY AREAS THAT REQUIRE THE MOST INTERVENTION AND SUPPORT. THOSE ARE THE AREAS WHICH WE ARE FOCUSING ON THROUGH OUR SELECTED PROJECTS. THESE KEY AREAS ARE REFERRED TO AS “MISSIONS” AND OUR PARTNERS WILL WORK WITH US TO PROVIDE PROJECTS THAT ALIGN WITH OUR SPECIFIED MISSIONS.

These missions were identified by looking at the most widely wise methodologies for the region in the humanitarian space. The frameworks that were analysed included but not limited to the United Nations Sustainable Development Cooperation Framework for Somalia, Somalia’s Third Generation Nationally Determined Contribution Outline, and DAI A Transformational Approach to Social Assistance in Somalia.

Through our research the three mission areas that were identified were:

- 01** Health
- 02** Education
- 03** Economic Livelihoods

Each of these missions have broad reach and are crucial in improving the region effectively.



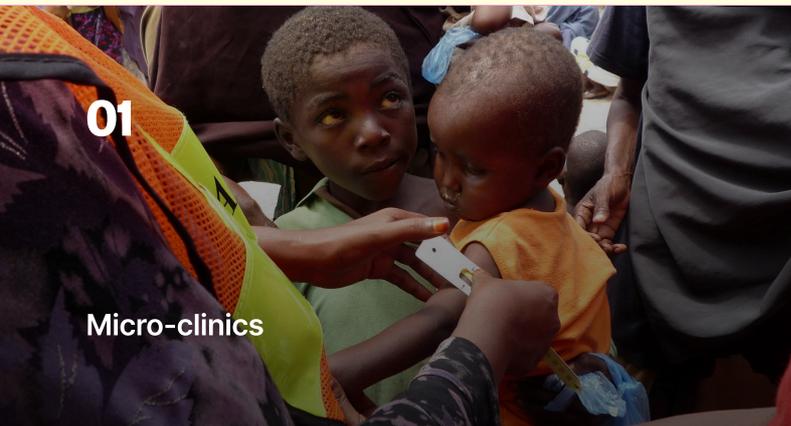
1. HEALTH

PUBLIC HEALTH IS HIGHLIGHTED ACROSS ALL SOURCES AS A KEY RISK FOR THE SOMALI REGION IN THE COMING YEARS. WITH GROWING LEVELS OF POPULATION DENSITY IN RURAL AND URBAN AREAS, THERE IS A CLEAR GAP BETWEEN THE NEEDS AND THE EXISTING HEALTHCARE INFRASTRUCTURE.

Considered the area of greatest vulnerability based on the University of Notre Dame 2022 assessment index. Around 5 per cent of the Somalia population live with disabilities. According to a health survey done in 2019, 42 per cent of persons with disabilities in Somalia had not received any care or support for their disability in the preceding year

Potential Projects:

- 01** Micro-clinics
- 02** Medical equipment
- 03** Training and medical workshops



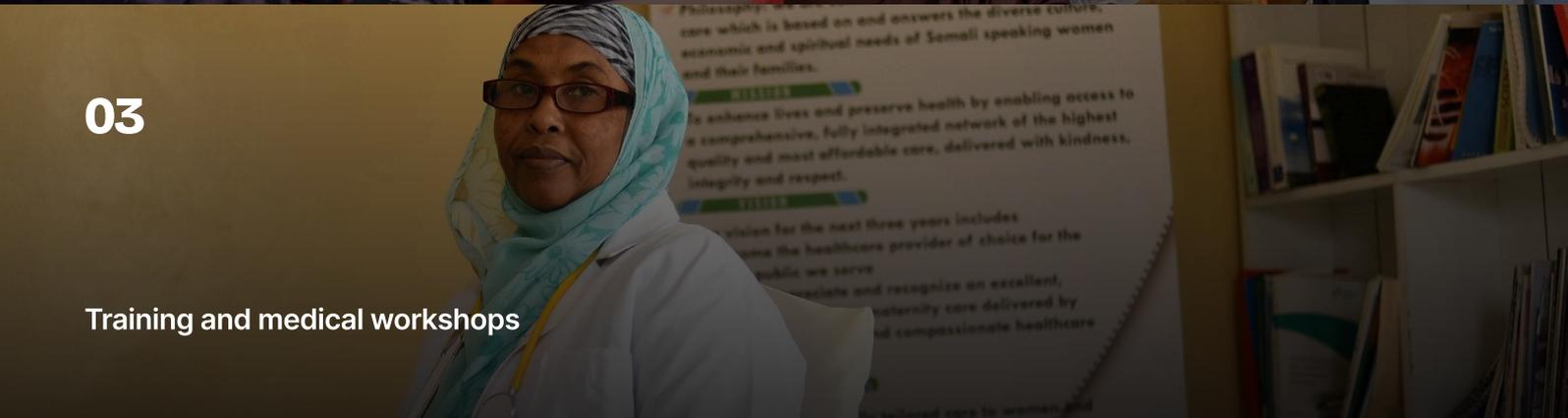
01

Micro-clinics



02

Medical equipment



03

Training and medical workshops

2. EDUCATION

LACK OF AN AFFORDABLE AND ROBUST EDUCATION SYSTEM CONTRIBUTES TO MORE ISSUES SUCH AS EMPLOYMENT, SOCIAL MOBILITY AND FINANCIAL SECURITY.

Almost half of Somali children and adults have never received formal education, while approximately 3 million out of 5 million school-aged children are out of school. Only 30 per cent of children at primary level and 26 per cent at secondary level are enrolled in school. An estimated 8 per cent of men and 4 per cent of women have ever attended university. Only 45 per cent of youth can read and write (49 per cent male, 41 per cent female), while the overall adult literacy rate stands at just 40 per cent (OCHA Source)

Potential Projects:

- 01** Classroom refurbishment
- 02** Teacher trainings
- 03** School Materials



01

Classroom refurbishment



02

Teacher trainings



03

School Materials

3. ECONOMIC LIVELIHOODS

GIVEN SOMALIA'S UNIQUE SOCIO-ECONOMIC CIRCUMSTANCES - INCLUDING HIGH POVERTY LEVELS (69% BELOW POVERTY LINE) AND HIGH RELIANCE ON LIVESTOCK AND TRADE THE REGION IS HIGHLY VULNERABLE ECONOMICALLY.

There is widespread need for more technological advancements across multiple sectors as well as more climate resilience projects that will last for longer periods. Skills development with workers for upcoming sectors and industries has the potential to multi-level impacts across multiple other areas of concern such as employment rates, poverty, access to food and water and other key quality of life indicators. Projects that are cross-mission will have a multiplied impact based on the Aruuri priorities

Potential Projects:

- 01** Recycling Projects
- 02** Digital support for business
- 03** Knitting and clothing skills
- 04** Road development



PROJECT SELECTION CRITERIA:

PROJECTS ARE CAREFULLY SELECTED AND SCREENED BEFORE BEING ONBOARDED ONTO THE ARUURI PLATFORM.

Through the identification of our core missions - Healthcare, Education, and Livelihoods & Economic Resilience - we focus on areas where intervention can generate meaningful, long-term impact.

Each project undergoes an SROI (Social Return on Investment) pre-assessment to provide a holistic view of potential outcomes, beneficiary reach, and sustainability. This enables us to determine which projects align most strongly with Aruuri's priorities.

A key consideration is diversification across mission areas and geography to ensure balanced impact across the Horn of Africa.

GOVERNANCE & PROJECT DECISION-MAKING

ALL PROJECTS THAT PASS INITIAL SCREENING ARE PLACED INTO AN INTERNAL PROJECT BACKLOG.

Aruuri actively sources and reviews projects across the Horn of Africa rather than focusing on a single country or locality, ensuring balanced regional representation and needs-based allocation.

At the start of each quarterly funding cycle, the Aruuri Review Committee conducts a structured prioritisation review using an SROI-informed weighted framework.

Projects are assessed based on:

- Stakeholder reach (who benefits and how many)
- Impact magnitude and type
- Impact horizon and sustainability of outcomes
- Community signal gathered during town hall discussions
- Operational feasibility and partner delivery capacity
- Budget clarity and reporting readiness

Community signal is intentionally given a lower weighting within the prioritisation framework to ensure funding decisions remain impact-driven and economically rational while still reflecting community insight.

Given capital constraints in Year One (maximum \$3,000 per project per cycle), not all approved projects can be funded immediately. Projects remain in the backlog for consideration in future cycles.

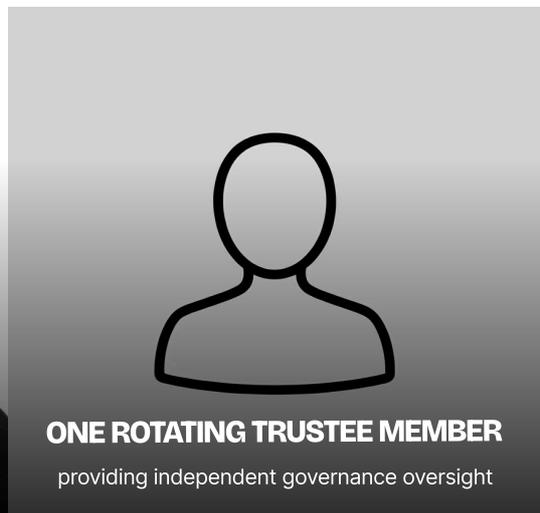
ARUURI REVIEW COMMITTEE

Final funding decisions are made by the Aruuri Review Committee, consisting of:

- **Hashem Abdi** - Head of Research & Evaluation,
- **Habon Ibrahim** - Head of Programmes & Delivery,
- **One rotating trustee member**

Community engagement forms part of this process. Shortlisted projects are presented during quarterly Aruuri town halls, where summaries, budgets, and intended outcomes are shared. Community members may provide feedback and ask questions. Town halls are advisory in nature, and final decisions remain the responsibility of the Review Committee following completion of due diligence and risk review.

All committee members must declare any conflicts of interest. Where a conflict exists, the individual will recuse themselves from discussion and decision-making on that project.



WHY TOWN HALLS ARE ADVISORY, NOT VOTE-BASED

SHORTLISTED PROJECTS ARE PRESENTED DURING OUR QUARTERLY TOWN HALLS TO ENSURE TRANSPARENCY AND INVITE COMMUNITY INPUT. CONTRIBUTORS CAN REVIEW PROJECT SUMMARIES, ASK QUESTIONS, AND FORMALLY INDICATE THEIR PREFERRED INITIATIVES.

While member preferences are recorded and considered, Aruuri does not operate a binding voting model for funding allocation. After assessing other community funds, we found that open majority-vote systems can allow a small, highly active minority to disproportionately influence decisions involving capital contributed by a much broader community.

To protect fairness, fiduciary responsibility and mission alignment, final funding decisions are made by the Aruuri Review Committee following due diligence, risk review and consideration of community input.

This approach ensures community voice meaningfully informs our work, while maintaining structured, responsible capital allocation.

PARTNER VERIFICATION & ONBOARDING

ARUURI PARTNERS ARE ORGANISATIONS THAT ALIGN WITH OUR MISSION AND HAVE BEEN VETTED TO SHOWCASE PROJECTS ON THE PLATFORM. WHILE THE HUMANITARIAN LANDSCAPE IN THE REGION IS OFTEN COMPETITIVE, ARUURI SEEKS TO FOSTER COLLABORATION BY SUPPORTING ORGANISATIONS THAT DEMONSTRATE STRONG DELIVERY CAPABILITY AND INTEGRITY.

Once an organisation is identified, an initial meeting is conducted to explore alignment and partnership suitability. During this meeting, partners are informed of Aruuri’s reporting standards, impact expectations, safeguarding principles, and legal considerations.

If aligned, partners are issued a formal agreement outlining roles, reporting requirements, and mutual responsibilities. This establishes a structured working relationship grounded in accountability and transparency.

To be considered on the Aruuri platform in Year One, partners must demonstrate:

<p>01</p> <p>Legal registration</p>	<p>02</p> <p>Previous delivery track record</p>
<p>03</p> <p>Basic financial controls</p>	<p>04</p> <p>Local presence and operational capacity</p>

FUND DISBURSEMENT & REPORTING

ARUURI CONNECTS FUNDS FROM THE GLOBAL DIASPORA TO LOCALLY-LED PROJECTS ACROSS THE HORN OF AFRICA. DUE TO CAPITAL CONSTRAINTS IN YEAR ONE, ARUURI WILL ALLOCATE A MAXIMUM OF \$3,000 PER PROJECT PER QUARTERLY CYCLE.

Quarterly funding cycles align with our micro-granting approach and allow projects to deliver time-bound, measurable outcomes. This structure also enables efficient capital deployment without requiring complex milestone-based funding structures at this stage. Funds are allocated quarterly, independent of the monthly subscription model for contributors. This allows contributions to accumulate before disbursement, ensuring meaningful project funding per cycle.

Following Review Committee approval, funds are disbursed. All funded projects must submit a post-impact report summarising delivery outcomes and providing proof of completion (which may include photos, beneficiary numbers, receipts, or other supporting documentation). Aruuri reserves the right to request additional verification where necessary.

Failure to comply with reporting or delivery requirements may result in suspension or permanent removal from the Aruuri platform.

Before funds are released, partners must submit a clear pre-impact report outlining:

01
Project scope

02
Intended beneficiaries

03
Timeline

04
Budget breakdown

05
Delivery team

AN APOLITICAL, HUMANITARIAN APPROACH

ARUURI IS AN APOLITICAL, NON-PROFIT HUMANITARIAN ORGANISATION. WE DO NOT ALIGN WITH POLITICAL ACTORS, ADMINISTRATIONS, OR FACTIONS. OUR WORK IS GUIDED BY HUMANITARIAN PRINCIPLES OF NEUTRALITY, IMPARTIALITY, AND INDEPENDENCE.

Project selection is based solely on community need, local leadership, and delivery capability. We do not fund projects on the basis of political affiliation, clan alignment, or proximity to power. This approach is critical to maintaining trust, protecting local partners, and ensuring that support reaches communities based on need rather than influence.

Aruuri does not seek to replace governments or political processes. Our role is to support locally led, community-rooted initiatives that strengthen resilience, dignity, and long-term self-reliance.



REGIONAL REPRESENTATION & PORTFOLIO DIVERSITY

ARUURI TAKES A DELIBERATELY REGIONALLY REPRESENTATIVE APPROACH ACROSS SOMALI COMMUNITIES AND THE WIDER HORN OF AFRICA.

We recognise that Somali communities live across multiple countries, geographies, and administrative contexts - each with distinct needs, risks, and strengths. Our work reflects this lived reality by supporting locally led initiatives across urban, peri-urban, and rural settings.

While Aruuri's roots are grounded in Somali diaspora solidarity, our commitment extends to supporting vulnerable communities across the Horn of Africa - including non-Somali communities in Djibouti, Ethiopia, and Northern Kenya where needs overlap and resilience-building efforts are shared.

This diversity is intentional. It ensures funding is not concentrated in a single location, that marginalised regions are not overlooked, and that support reflects the interconnected realities of communities across borders.

By maintaining a geographically balanced and inclusive portfolio, Aruuri strengthens regional resilience and builds a representative ecosystem of community-led initiatives.



FAQS

01 WHAT IS ARUURI?

Aruuri is a community-funded platform that pools contributions from the diaspora to support trusted, locally led projects across the Horn of Africa. We focus on healthcare, education, and livelihoods to help the most vulnerable build long-term resilience.

02 WHERE DOES ARUURI OPERATE?

Aruuri supports locally led initiatives across the Horn of Africa, including Somalia, Somaliland, Ethiopia, Kenya and Djibouti.

While rooted in Somali diaspora solidarity, our work reflects the region's interconnected realities. We support both Somali and non-Somali communities where needs overlap, ensuring geographically diverse and regionally inclusive impact.

03 WHO ARE THE PEOPLE BEHIND ARUURI?

Aruuri is built and governed by members of the diaspora committed to creating structured, transparent infrastructure for giving back home.

Funding decisions are overseen by our Review Committee, and Aruuri operates under **Somalis In Tech CIC**, providing formal legal structure and accountability.

04 IS ARUURI A CHARITY OR NON-PROFIT?

Aruuri operates as a non-profit initiative under **Somalis In Tech CIC**, a UK-registered Community Interest Company (CIC).

A CIC is a regulated structure designed to operate for community benefit rather than private profit, with any surplus reinvested into the mission.

05 HOW ARE PROJECTS SELECTED?

Projects undergo structured due diligence before being shortlisted, including legal verification, track record review, financial controls assessment and an SROI pre-assessment.

Shortlisted projects are presented at quarterly town halls for community feedback and preference. Final funding decisions are made by the Aruuri Review Committee following due diligence and risk review.

FAQS

06 HOW ARE FUNDS MANAGED?

Funds are pooled and allocated through structured quarterly funding cycles.

Each cycle includes a published summary of funds raised, allocation breakdowns (including operational costs), and documented project disbursements.

07 DO YOU TAKE FEES?

Yes. Aruuri takes 18% operational fee to cover due diligence, compliance, payment processing, and platform infrastructure.

08 WHAT DOES IT MEAN TO BE AN ARUURI COMMUNITY MEMBER?

An Aruuri community member contributes to a collective pool of capital that funds locally led projects across the Horn of Africa.

Members receive visibility into funding cycles, can attend quarterly town halls, and provide feedback on shortlisted projects - helping shape a more coordinated and resilient model of giving.

09 IS MY DONATION ZAKAT ELIGIBLE?

All Aruuri-funded projects support vulnerable communities and are eligible for Sadaqah.

At this stage, Aruuri is not formally certifying projects as Zakat-eligible. We are developing a framework to assess and label Zakat applicability in the future. If you intend to give Zakat specifically, we encourage you to review project details carefully and consult your own guidance.

