

Perceptions of localisation in the humanitarian response

About this report

Aim: since February 2022, the localisation agenda has been at the centre of many discussions about the humanitarian response in Ukraine. Despite this, rhetorical commitments have not necessarily resulted in practical action, such as shifting funds and responsibilities directly to local responders. This report explores the status of localisation efforts in Ukraine, as well as attitudes towards and perceptions of the concept, and updates and expands on information presented in our previous report: Bridging Humanitarian Response.

Methodology: ACAPS reviewed 47 secondary data sources, including monthly datasets from Stabilisation Support Services, and conducted 48 interviews with staff working for 14 INGOs, 10 NNGOs, and 4 UN agencies. The research team also interviewed three representatives from coordination and funding mechanisms, five cluster representatives, two donors, and ten Ukrainian NGOs. Data collection for this report was conducted between February–March 2023. The report incorporates findings from previous relevant research, including seven key informant interviews conducted between November–December 2022.

Limitations: while this report is not representative of all responders working in Ukraine, ACAPS made efforts to collect and reflect the views of a diverse sample of those working in the humanitarian response to increase understanding of different perspectives on localisation in the country. There remain information gaps related to funding allocations, including the scale and modality of funding allocations for national partners implementing the programmes of some UN agencies and INGOs. There is not enough understanding of how funding allocations across the response are supporting localisation commitments and enabling smaller or more recently created NNGOs and volunteer networks to operate as effectively as possible.

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Localisation challenges in Ukraine

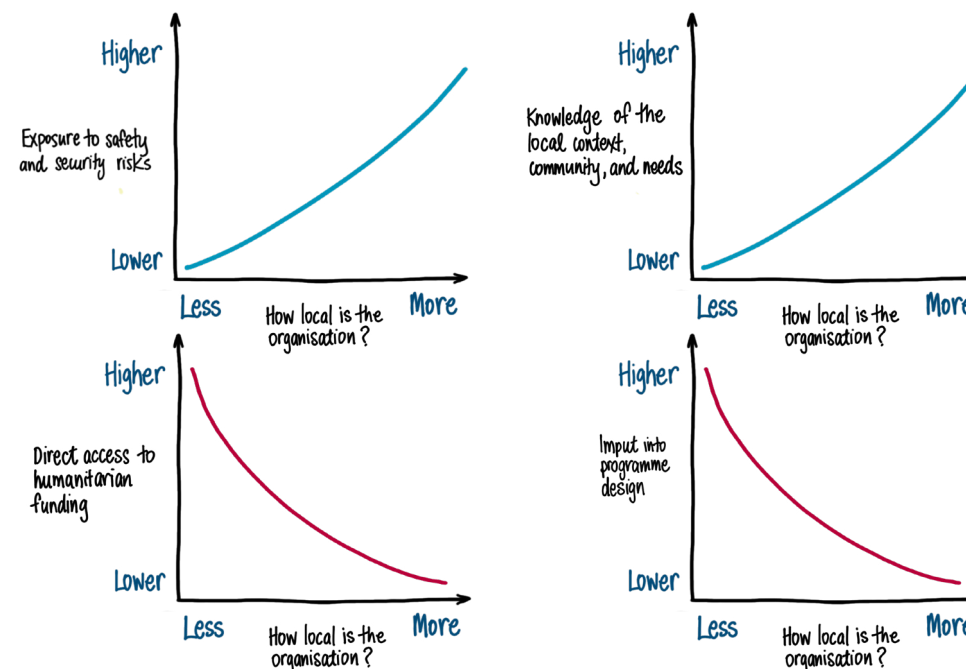


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KEY FINDINGS

No two organisations surveyed (UN agencies, INGOs, or NGOs) gave the same definition of what localisation is or what it should look like in Ukraine, and some definitions provided contradicted each other. Because there is ambiguity about what localisation means in practice, there are misunderstandings and unmet expectations among both international and local responders. Even international responders familiar with the Grand Bargain commitments, including UN and INGO representatives, could not clearly define the concept, and for some it had become “an empty buzzword” or “meaningless” term.

Out of the 12 INGOs that shared their financial information with ACAPS, 4 indicated that they allocated less than 10% of their budgets to national responders, 4 allocated between 10–20% of their budgets to national and local NGOs, and 2 allocated more than 90% of their funding to NNGOs. No UN agency approached for this survey shared concrete numbers of how much money they allocated for Ukrainian partners. This lack of data remains the main challenge in analysing how funding is distributed in the Ukraine response. When funding information is available, it is very difficult to distinguish between direct financial support (allowing for overheads and flexible spending) versus in-kind support that focuses on providing in-kind assistance for responders to distribute without further investment in their own capacities.

The majority of partnerships between Ukrainian and international responders are formalised through subcontracting agreements, where local organisations implement activities on behalf of INGOs or UN agencies. While there is huge variation in the number of local partners (from 1 to 400) reported by the UN and INGOs, most INGO respondents noted that local counterparts implemented at least 40% of their activities. The majority of Ukrainian NGO respondents suggested that the heavy reliance on subcontracting arrangements contributes to unequal partnerships, in which their organisations are not fully recognised as integral to the response, as they lack actual decision-making power and do not participate directly in designing activities according to the most urgent needs they see in practice.

Donors expect aid to be delivered to hard-to-reach areas, including remote villages, along the front lines, and in non-government-controlled areas (NGCAs). For INGOs, the dilemma is their limited capacity and lack of local knowledge or their own security protocols limiting their access to these areas. As a result, they have to rely on partnerships with local Ukrainian organisations, with the majority of assistance reaching affected communities through informal networks and community groups, mostly staffed by volunteers who have a higher risk tolerance than international responders. Those local organisations and networks take on a disproportionate share of the risk and, given their informal nature, are not adequately equipped and supported with the physical and structural resources necessary for safety and to sustain their essential humanitarian work.

While there are extensive humanitarian coordination structures in Ukraine, discussions with both local and international organisations revealed that coordination remains one of the main challenges in mounting an effective humanitarian response in the country. There are a few NNGOs represented in big coordination forums, but there is not enough representation of smaller, more agile local groups, organisations, or volunteers. The large Ukrainian NGOs represented tend to have a more ‘internationalised’ view of the response. The Ukrainian local response is very varied, with multiple responders, views, and opinions that a few large NNGOs cannot effectively represent.

INTRODUCTION

Since the beginning of a large-scale humanitarian response to a crisis resulting from the Russian invasion of Ukraine that started on 24 February 2022, it was clear that Ukrainian responders, whether the Government, registered Ukrainian NGOs, or a wide variety of other types of responders, including volunteer movements, were at the forefront of the response efforts.

Following the onset of the Russian invasion, the majority of international humanitarian responders struggled to react quickly to the crisis that ensued, as they were ill prepared for the scale and speed at which the situation deteriorated. Several international organisations initially halted their operations as a result of insecurity, especially in Donbas region. Others needed to completely redesign their operations, which were predominantly concentrated in Donbas, and focused more on development than emergency humanitarian activities. Still, others had never had any presence in Ukraine at all (TNH 10/03/2022). As one INGO put it, “Ukraine was an operational challenge. We had to start everything from scratch without knowledge of the language and the humanitarian community and context” (KII 07/02/2023 b).

At the same time, the country had a robust civil society, and Ukrainians were able to quickly mobilise volunteer networks, enabling a strong, rapid response to the humanitarian crisis. Local groups were able to access funding and operational support from outside the formal humanitarian funding architecture, including from individuals, church groups, democracy and human rights groups, and global platforms with local connections, such as the International Red Cross and Red Crescent Movement (ICRC) (Humanitarian Outcomes 01/06/2022). Almost 18 months into the response, local organisations are still responsible for much of the delivery of humanitarian assistance, particularly in high-risk and hard-to-reach areas (KII 30/01/2023 b; KII 01/02/2023 a; KII 06/02/2023 c; KII 06/02/2023 d; KII 03/02/2023 f; KII 07/02/2023 c; KII 11/02/2023 a).

The total number of responders working in Ukraine highlights the massive expansion of the humanitarian effort in the country. While the numbers of all types of humanitarian responders have increased, the national response has shown the greatest growth. Prior to 2022, 150



Ukrainian NGOs were operating within the humanitarian response, alongside a national network of civil society organisations, volunteer groups, and faith-based networks (OCHA accessed 03/05/2023). By 2023, this number has swollen to 458 Ukrainian NGOs, alongside more than 1,700 volunteer networks and organisations. These groups have become the principal providers of aid in Ukraine.

Table 1. Humanitarian responders in Ukraine before and after the onset of the 2022 invasion

UN AGENCIES	INGOS	NATIONAL RESPONDERS AND KNOWN VOLUNTEER GROUPS (COLLECTIVELY REFERRED TO AS NNGOS)
Prior to 2022		
8	30	150
In 2023		
12	133	458 (NNGOs) + 1,700 (volunteer groups and faith-based networks)

Sources: OCHA (accessed 17/05/2023); OCHA (10/01/2023); Philanthropy (accessed 04/04/2023); Suspilne (21/04/2022); URD (13/12/2022); ZF (08/2022); KII (28/11/2022 a)

Ukrainian responders, including NGOs and civil society groups that had little to no prior humanitarian experience, were able to quickly scale up and expand their activities to respond to the rapidly growing needs of affected populations thanks to such key features as:

- **agility** – adapting quickly to changing demands, needs, and a rapidly changing context
- **high tolerance for risk** – delivering aid to people in active conflict areas
- **operational flexibility** – being ready to do what whatever was needed, including combining activities (e.g. delivering assistance and evacuating injured people on the same journey)
- **ability to leverage different funding sources** – e.g. those provided by non-traditional donors, such as private individuals and businesses
- **broad geographic access** – using local knowledge, networks, and capacity to get to areas where international responders lack presence
- **timeliness** – quick response thanks to the advantages of being local and not having to comply with heavy bureaucratic hurdles and decision-making processes (OpenDemocracy 29/06/2022; Philanthropy accessed 04/04/2023; REACH 19/08/2022; Frennesson et al. 07/11/2022; NP 22/06/2022; URD 13/12/2022).

Despite a high number of operational local NGOs and civil society groups and an exceptionally high level of funding across the response, there have been significant challenges associated

with localising the humanitarian response in Ukraine that both international and local responders have flagged (RI 22/12/2022, 24/02/2023, and 16/03/2023; GFCF 24/08/2022; EHF accessed 14/06/2023; DEC 06/01/2023).

LOCALISATION

What is localisation?

At the World Humanitarian Summit in 2016, a wide range of humanitarian stakeholders formalised their commitment to localisation through an agreement known as the Grand Bargain (later streamlined in the Grand Bargain 2.0). In theory, this was supposed to mean giving more direct funding and operational responsibility to local responders in recognition of their central role in emergency response and recovery efforts (IASC accessed 28/04/2023). In practice, it has been challenging to implement localisation as envisioned in the Grand Bargain, and international humanitarian responders have yet to fully realise these commitments (Tufts Univ. 31/12/2021).

Grand Bargain commitments to localisation

- Increase investment in the institutional capacities of local and national responders.
- Better understand and remove or reduce barriers (lessen the administrative burden) for international organisations and donors partnering with local and national responders.
- Support and complement national coordination mechanisms and include local and national responders in international coordination mechanisms.
- Direct 25% of humanitarian funding towards local and national responders.
- Develop a localisation marker to measure direct and indirect funding for local and national responders.
- Make greater use of funding tools, such as the UN-led country-based pooled funds (CBPF), the Disaster Relief Emergency Fund of the ICRC, and NGO-led and other pooled funds (IASC accessed 20/05/2023).



Lack of a common definition

One of the main challenges that interviewees identified throughout the data collection was a lack of common understanding of what localisation is and how it should look in practice in Ukraine.

- No two organisations surveyed (UN agencies, INGOs, or NGOs) gave the same definition of what localisation is or what it should look like in Ukraine, and some definitions provided contradicted each other.
- Only a third of interviewed INGOs and UN agencies explicitly mentioned the commitment to more direct funding to NGOs when asked what localisation means, and only one of them explicitly mentioned the 25% direct funding commitment as per the Grand Bargain (KII 30/01/2023 b; KII 06/02/2023 c; KII 06/02/2023 f; KII 08/02/2023 c).
- More than half of the interviewed INGOs and UN agencies associated localisation with commitment to working with local NGOs, the principles of partnership, or a locally led response (KII 01/02/2023 a; 02/02/2023 a; KII 03/02/2023 b; KII 03/02/2023 c; KII 03/02/2023 d; KII 02/02/2023 b; KII 03/02/2023 e; KII 06/02/2023 d; KII 07/02/2023 b; KII 07/02/2023 c).
- For the Ukrainian NGOs interviewed, localisation as a concept predominantly makes sense in the context of international coordination structures. In practice, they mostly understand it to mean providing better response at a local level and directing resources to hromadas (KII 06/02/2023 d; KII 03/02/2023 e; KII 02/02/2023 b; KII 03/02/2023 d).

Because there is ambiguity about what localisation means in practice, there are misunderstandings and unmet expectations among both international and local responders. Even the international responders familiar with the Grand Bargain commitments, including the UN and INGO representatives, could not clearly define the concept, and for some, it had become “an empty buzzword” or “meaningless” term (KII 11/02/2023 a; KII 09/02/2023 a).

Despite the lack of a universal definition, some common themes emerged throughout ACAPS’ analysis that highlight both the challenges associated with localisation and the vital elements necessary to implement it more effectively. Those elements can be grouped around four interconnected themes:

- funding distribution
- partnerships and due diligence

- humanitarian principles and safety
- coordination and decision-making.

These themes are used throughout to structure this report, drawing conclusions from the data collected and identifying, comparing, and contrasting perceptions across both the international and local response in Ukraine.

FUNDING DISTRIBUTION

- NNGOs directly received less than 0.4% of the USD 3.7 billion funded through the revised Ukraine Flash Appeal for 2022.
- No UN agency approached for this survey shared concrete numbers of how much money they allocated for Ukrainian partners (KII 07/02/2023 b; KII 11/02/2023 b; KII 03/02/2023 f). Out of 13 INGOs that shared their financial information with ACAPS, four indicated that they allocated less than 10% of their budgets to national partners.
- Only 23% of the USD 192 million funded through the Ukraine Humanitarian Fund (UHF) went directly to NNGOs.

The Ukraine response is well funded – perhaps even overfunded – compared with other crises, as several stakeholders interviewed for this report noted (KII 02/02/2023 a; KII 04/02/2023 a; KII 07/02/2023 b). Donors funded over USD 3.7 billion, or over 87% of the requested amount, in the revised Ukraine Flash Appeal for 2022 (OCHA accessed 20/05/2023). That said, despite the 25% commitment included in the Grand Bargain, the bulk of this funding was still allocated to UN agencies and INGOs. Ukrainian organisations received less than 0.4% of it through direct allocation, with 12 national and local NGOs and CSOs directly receiving only USD 13.2 million (OCHA accessed 14/06/2023 a).

The main challenge of analysing the funding distribution in the Ukraine response is that there is no understanding of how much money is actually directly allocated to Ukrainian organisations and civil society and how extensive their needs are. Tracking these numbers is currently impossible, as most UN agencies and some INGOs do not disclose what parts of their budgets are allocated to local partners.

Funding modalities

Even when data on funding distribution is available, it is very difficult to distinguish between direct financial support (allowing for overhead and flexible spending) versus in-kind support that focuses on providing in-kind assistance for partners to distribute without further investment in their own capacities. Nearly USD 320 million in in-kind donations had gone to the humanitarian crisis in Ukraine as at late March 2023; in comparison, only USD 37 million in funding went to local NGOs in 2022 and USD 16 million by mid-June 2023 (OCHA accessed 14/06/2023; OCHA accessed 14/06/2022; OCHA accessed 14/06/2023 b).

This makes it unclear how much of the funding Ukrainian organisations have received is direct rather than in-kind. Neither Financial Tracking Services nor CBPF data distinguishes how much of the direct funding goes to Ukrainian organisations for their own activities, as opposed to merely implementing those that their international partners have decided on.

A lack of regulation and information on different modalities in which international budgets can be allocated to Ukrainian responders (grants, in-kind, capacity-building, etc.) affects smaller-scale local NGOs and volunteer groups the most. This is coupled by a great degree of reliance on the part of local responders to deliver in-kind assistance across the country, particularly in hard-to-reach areas. The result is local responders feeling overwhelmed from implementing activities designed by different organisations and having no time or capacity to develop their own programmes or build their internal capacity.

Humanitarian funds

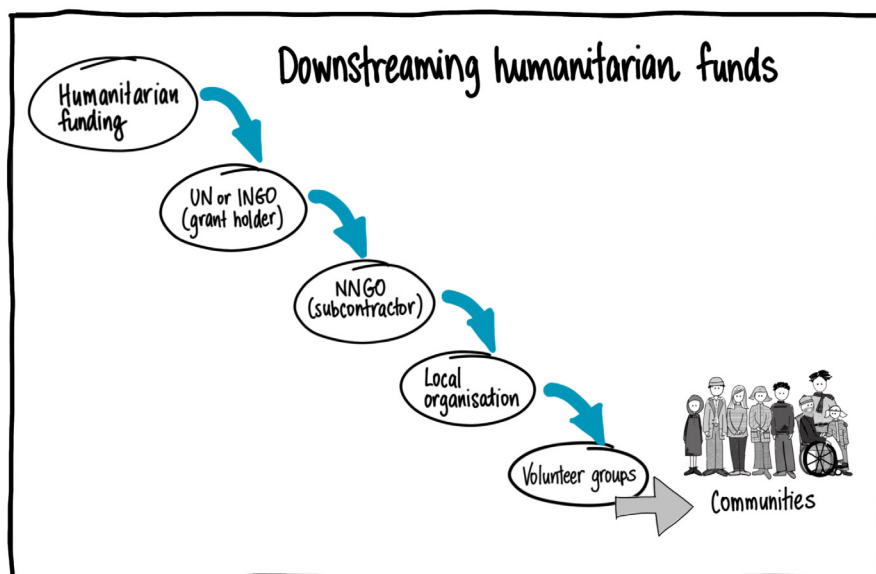


Illustration by ACAPS

'Traditional' humanitarian donors

Most of the large-scale humanitarian donors did not allocate any significant funding directly to Ukrainian organisations in 2022 (KII 15/02/2023 a; KII 16/02/2023 a). The main challenge Ukrainian organisations face in accessing direct funding from large-scale donors includes overly bureaucratic screening procedures and complicated reporting systems. These are too burdensome to manage alongside the heavy demands of immediate humanitarian response, especially for smaller-scale local organisations (KII 16/02/2023 a).

Localisation goals in terms of funding are also difficult to implement consistently because government regulations vary so much by donor. Some government regulations forbid the direct funding of any organisation without its registration in the donor country, which can be a long and hard process that leads to bottlenecks, or limit the funding that can be channelled to organisations not belonging to their region (KII 16/02/2023 a; KII 07/02/2023 b; KII 03/02/2023 c).

Some donors have reported attempting to put more pressure on the localisation of their funds through more specific requirements around the nature of partnerships and capacity-strengthening implemented by the direct recipients of the funds (UN agencies and INGOs). At the same time, none of the donors interviewed for this research have set any policy or formal requirements around how they should fund local implementing responders or what part of their funds should be allocated to them, although some have reported working on developing such policies (KII 15/02/2023 a; KII 16/02/2023 a).

The result is a significant amount of blame and responsibility shifting between donors and UN agencies/INGOs over who should be responsible for localising the funds, with donors arguing that it has to be a collective effort and that the funding discussion on their level needs to focus more on overall goals rather than the details of further fund disbursement. INGOs, on the other hand, argue that donors have different policies on overheads and vetting partners that limit their options for localising funds (KII 15/02/2023 a; KII 06/02/2023 e).

Some INGOs noted that a lack of donor regulation allows them to "hide behind donors", and one cluster reported that more specific requirements would be useful to establish clear expectations and transparent thresholds that would allow responders to be held accountable for how they further distribute the funding (KII 30/01/2023 b, KII 08/02/2023 d).



Ukraine Humanitarian Fund

The bulk of funding allocated by the UHF in 2022 went to UN agencies and INGOs. Out of approximately USD 192 million allocated through the fund in 2022, 33% went to local responders, including 23% through direct allocations to national organisations (KII 08/02/2023 a).

Access to the UHF is challenging for Ukrainian responders. It depends on a formal access procedure, including being an eligible partner for the fund and then proving that NGOs are the most efficient operationally – meaning they can deliver assistance in a timely, effective, principled, and accountable manner (OCHA 21/12/2022 and 08/03/2022; KII 08/02/2023 a).

While the UHF has introduced efforts in their allocations to ensure the localisation of the funds, they put lower priority on localisation commitments than on the overarching goal of allocating money to the responders best placed operationally. Unfortunately, in the case of Ukraine, those who are best placed operationally are often not necessarily eligible for the fund. This results in a situation where Ukrainian organisations, particularly the smaller-scale agile operational responders, can only access the UHF through partnerships with eligible larger organisations (KII 08/02/2023 a). This requires a partnership agreement and the transfer of responsibility and costs of managing Ukrainian responders to the eligible partners of the fund.

One of the commitments to ensure more funding to smaller-scale operational responders was a pilot localisation envelope of USD 20 million, specifically designed to support eligible UHF responders to work together with smaller local organisations (including CSOs, community-based organisations, and volunteer groups) who could otherwise not meet the eligibility requirements to receive direct funding from the UHF. Out of this USD 20 million, **around 70% reached the intended recipient groups in the form of subgrants and in-kind assistance, training, and other capacity support**, but channelled through 13 international and Ukrainian NGOs, who were themselves direct recipients of the funding (KII 08/02/2023 a). The different modalities of funding provision are a significant constraint against estimating how many Ukrainian groups and organisations can depend on direct financial support either from the fund or from their partners.

Funding channelled through partnerships with the UN and INGOs

No UN agency approached for this survey shared concrete numbers of how much money they allocated for Ukrainian partners (KII 07/02/2023 b; KII 11/02/2023 a; KII 03/02/2023 f). Out of 12 INGOs that shared their financial information with us, 4 indicated they allocated less than 10% of their budgets to national partners, 4 allocated between 10–20% of their budgets to national and local NGOs, and two allocated more than 90% of their funding to national NGOs.

That said, UN agencies and INGOs remain an important source of funding for local responders. As they are more experienced with and linked to the international system, international responders have easier access to large traditional donors, allowing them to access the funds that they share with their partners through different modalities. The result is an overwhelming reliance on subcontracting relationships, where international responders hold the grants and the power to decide how to implement them while NNGOs and volunteer networks merely carry out the decisions of others. This relationship meets the immediate need of delivering assistance but in the longer term prevents the meaningful participation of local responders.

Ukrainian organisations are not in direct contact with donors via those partnerships, preventing them from getting funding in their own right to spend directly on the needs they identify at the local level or to build their own capacities (KII 01/02/2023 a; KII 02/02/2023 e). While some funds are being transferred directly to Ukrainian responders, very often the support is provided in-kind, with local responders responsible only for delivering the assistance.

Funding flexibility and overheads

One of the main lessons learnt more than a year after the start of the full-scale invasion is that flexible and non-restricted funding is critical both for getting the humanitarian response off the ground and ensuring that responders can adapt quickly to changing needs in such a highly dynamic environment (HOC 29/11/2022). That said, uncertainty around how to define partnerships, subcontracting approaches, and stringent due diligence requirements continues to challenge putting this learning into practice and empowering local responders to use available resources as they best see fit.

While most of the interviewed INGOs reported allowing their partners to include overhead costs in their implementation budget, they underlined that there is no systematic and transparent way of doing so. Overhead regulations vary from one donor to another. Some allow a lump-sum agreement, some demand for itemised costs, and some have further overhead restrictions for partners (KII 08/02/2023 c; KII 06/02/2023 e; KII 30/01/2023 b).

The UN agencies that ACAPS interviewed indicated less readiness to fund overhead costs. Some directly stated that they did not allow for them, while others mentioned that it requires discussion on a case-by-case basis (KII 07/02/2023 c; KII 11/02/2023 a).



Funding: perceptions of Ukrainian organisations

Given the difficulties Ukrainian organisations face in accessing funding from traditional donors or the UHF, the most common way they access funds for their operations is seeking non-traditional humanitarian funding, such as through crowdsourcing, support from abroad, and donations from businesses and individuals.

Although there is significant funding data available through some tracking mechanisms, the extent of support coming from non-traditional funding sources to Ukrainian NGOs remains unclear. This underlines the gap in knowledge of their needs and capacities (OCHA accessed 15/06/2023). Existing data also does not indicate the modality of the funding they receive from these sources.

For most NNGOs, obtaining funding from diverse sources has been key to the effectiveness of their operations, specifically their ability to remain flexible and agile while still working in line with predetermined priorities. Some organisations prefer to seek financial support from private donors and Ukraine activist organisations operating overseas. This is mainly because they can be more successful in personal fundraising efforts, and they wish to avoid facing the bureaucratic procedures and slow processes of large-scale organisations like UN clusters/the ICRC (KII 01/02/2023 b).

This does not mean that Ukrainian NGOs do not need international funding support. The majority of national responders surveyed reported a need for either direct financial support or more in-kind assistance. Calls for additional funds and support are regularly reported across all coordination forums. The needs that Ukrainian NGOs report are broad and span from direct financial assistance to in-kind assistance and development and operational funds (KII 02/02/2023 c; KII 02/02/2023 e; KII 30/01/2023 c).

Ukrainian organisations emphasise that donors' unclear requirements for funding local responders are a major part of their problem in accessing funding. In a widely circulated open letter in July 2022, 37 international and Ukrainian organisations called for donor, UN, and INGO strategic frameworks and plans for the Ukraine response to “outline specific objectives, time-bound milestones and metrics to promote accountability for support to local leadership”. They also argued that “the UHF should adopt clear and more ambitious targets for percentages going directly to local actors, and this percentage should increase over time” (CAFOD et al. 01/07/2022).

The fact that some NNGOs and volunteer networks have been able to diversify funding sources and raise enough to do their work suggests that they can:

- Have a broad impact while remaining independent of the international humanitarian system
- maintain and leverage a high level of international and national goodwill and the willingness

of people to donate money in support of meeting humanitarian needs in Ukraine

- challenge whether the international humanitarian system is always the default place to start looking for support (KII 06/02/2023 g; KII 01/02/2023 b; KII 02/02/2023 c).

This capacity to perform their work independently contrasts with international views that NNGOs have capacity deficits and require capacity-building to fully participate in the internationally led humanitarian response. International responders frequently mention capacity-building as both a localisation activity and one of its major goals but this is mostly focused on the administrative requirements of receiving international funding as discussed later in the report.

PARTNERSHIPS AND DUE DILIGENCE

- All interviewed international organisations reported working through and with local responders.
- While there is huge variation in the number of local responders (from 1–400) reported by the UN and INGOs, the majority of INGO respondents noted that local responders implemented at least 40% of their activities, making them especially dependent on local responders.
- Ukrainian organisations noted having partnerships with 2–40 international responders.
- Ukrainian responders implemented most of the humanitarian response in Ukraine's conflict-affected eastern and southern oblasts.

The majority of organisations interviewed, both international and Ukrainian, reported working through partners. That said, **they do not use the term ‘partnership’ consistently, and there is no shared understanding of the practical elements of what a partnership entails.** International responders defined partners in several different ways, including as:

- any organisation that directly implements their activities through a subcontracting agreement (KII 02/02/2023 a; KII 03/02/2023 d; KII 02/02/2023 b; KII 03/02/2023 e)
- any organisation that receives their funds, even if that organisation does not directly implement but rather downstreams those funds to other organisations for the actual implementation of the agreed activities (KII 30/01/2023 b; KII 01/02/2023 a; KII 03/02/2023 c)
- Any organisation that implements the activities of INGOs or the UN informally and often on an ad hoc basis, even without a partnership or subcontracting activity in place (KII 03/02/2023 c).



- organisations with whom UN agencies/INGOs have no formal agreements but still share information and best practices (KII 02/02/2023 c; KII 30/01/2023 c; KII 06/02/2023 g; KII 01/02/2023 b).

From the perspective of Ukrainian organisations, partners could include formal and informal partners and donors. Well-established Ukrainian NGOs reported partnering with UN agencies, INGOs, and clusters. Smaller and newer groups reported collaborations with intermediary organisations (INGOs or NGOs that subcontract them to implement their activities) as partnerships, since they do not have direct access to donors. Many also mentioned informal partnerships with other organisations based on pre-existing personal relationships.

Because organisations have different ways of defining who counts as a partner, the data showed large variations in the numbers of partners reported. Among UN agencies and INGOs, the numbers of local partners ranged between 1–400, while local organisations identified between 2–40 partnerships with international responders.

There were also wide gaps in the percentage of activities reported to be carried out by local responders – anywhere from 40–90%. In general, local responders are responsible for a higher percentage of implementation when the activities involve the distribution of aid and legal assistance. They also implement a higher percentage of activities, and sometimes all of them, in the country’s eastern and southern regions. These are most likely to be in the form of aid distribution, cash assistance, and shelter. That said, the nature of the relationships between organisations contributes to Ukrainian NGOs not being fully recognised as integral to the response.

Subcontracting

The majority of partnerships between Ukrainian and international responders are formalised through subcontracting agreements, where local organisations implement activities on behalf of INGOs or UN agencies. While there is huge variation in the number of local partners (from 1–400) reported by the UN and INGOs, most INGO respondents noted that local partners implemented at least 40% of their activities.

The nature of the partnership under a subcontracting agreement varies from one organisation to another. Some INGOs include their partners in the design of activities and decision-making processes, while others treat their partners more as a means to ensure the delivery of their pre-designed programmes. While there are some existing guidance documents and research in the response around responsible partnerships, the evidence suggests that the international community is not adequately equipping and supporting their partners with the resources, both physical and structural, needed for safety and to sustain their essential humanitarian work (NP 05/2023).

Traditional humanitarian funding mechanisms – with all their checks and balances – do not empower national and local organisations. Instead, they encourage the subcontracting model, which does not promote equal partnerships or localisation and creates a major obstacle to meaningful partnerships in which Ukrainian organisations have actual decision-making power and can directly participate in designing activities according to the most urgent needs as they best see fit.

Subcontracting criteria

INGOs highlighted several important criteria in selecting subcontracting partners:

- internal capacity of the prospective partner to deliver activities and their geographic reach
- the capacity to carry out assessments in conflict-affected areas
- prior experience in working with international organisations
- if possible, being well established in the country before 2022.

These criteria are especially hard to meet for the 308 newly established NNGOs and the additional 1,700 volunteer-based CSOs that have emerged in Ukraine since February 2022 (Philanthropy accessed 12/04/2023).

With a rapidly growing response since February 2022 both in terms of new local and new international organisations, large amounts of funding, limited access, and significant pressure from donors to deliver, it has been a challenge for the UN and INGOs to navigate local partnerships, particularly with no processes in place to work with informal and more dynamic local organisations. This has led to INGOs and UN agencies relying on the relatively small number of Ukrainian organisations who had worked on humanitarian issues before 2022 and had already had international partnerships in the past.

As a consequence:

- There is increasing pressure on these more established Ukrainian humanitarian organisations, likely stretching their capacity and forcing them to grow too fast and work in (geographical and thematic/sectoral) areas they are not experienced in and may not have intended to work in.
- Smaller and newer Ukrainian organisations have had limited exposure and capacity-building opportunities, while still being relied on as ‘downstream’ partners of more established Ukrainian organisations to do last-mile delivery to the hardest-to-reach and riskiest areas (Humanitarian Outcomes 01/06/2022; KII 08/02/2023 a).
- A competitive employment marketplace has emerged, wherein organisations must compete for staff who may be ‘poached’ from local organisations – first by the UN, then



INGOs, and finally large-scale national organisations – leaving limited human resources to small-scale, agile, first-line responders.

- The disconnect between international responders and smaller Ukrainian organisations has grown, putting more established ones in an intermediary role.
- Opportunities have been missed to take advantage of some of the most important strengths of small, local Ukrainian organisations – their agility, flexibility, and capacity to respond to immediate needs and local contextual knowledge – by positioning them in a system that is slow to respond to their insights (CARE 24/08/2022; KII 02/02/2023 c; KII 02/02/2023 e). “Our local organisations are focused on the current moment while donors have a long process of decision-making” (KII 02/02/2023 e).

One interesting example of a flexible partnership system came from one UN agency. It reported limited engagement with local responders through formal channels but indicated readiness to provide in-kind assistance for very local organisations or volunteer groups to deliver despite the lack of a formal agreement. While this partnership model did not strengthen the capacity of local responders, it was at least very responsive to their immediate needs, which is usually a challenge in an environment where a partnership agreement needs to be signed before any activities can take place. This showcases the need to seek more innovative solutions beyond just subcontractor-based partnerships that can be more responsive to needs of local responders (KII 11/02/2023 a).

Due diligence

Complex and burdensome due diligence activities are the main barrier between Ukrainian organisations and access to international funding. The low administrative capacities of local responders cannot be strengthened without further dedicated support resources. In turn, these resources cannot be granted without the administrative capacities to handle due diligence requirements, creating a vicious cycle leading to a lack of sustainable funding going to local responders.

There is no standard timeline for how long these processes take. Vetting and due diligence procedures can take anywhere from ten days to over three months before partners can begin work (KII 06/02/2023 f; KII 30/01/2023 b). Due diligence policies are in many cases standardised within international organisations, dictated from headquarters and mandatory for all country offices, leaving little space for Ukrainian country offices or their partners to adapt the policies to country-specific conditions (KII 02/02/2023 b; KII 11/02/2023 a; KII 06/02/2023 e).

Although many UN agencies and INGOs expressed interest in a due diligence passporting system that would allow for the standardisation of due diligence processes across the response, such a system does not yet exist (KII 06/02/2023 d).

A major reason that large traditional donors have a strong preference for working with larger, more established Ukrainian organisations is they are often able to take on more of the burden of due diligence up front and then be trusted to downstream work to partners of their choice, often to smaller groups who may not be registered and remain unaware of funding opportunities or are ineligible to apply (KII 08/02/2023 a; KII 03/02/2023 a; KII 03/02/2023 e; KII 06/02/2023). From the donor perspective, this was especially crucial in the early days of the conflict, when they had to strike a “balance between very rapid scale-up and the response”, which does not allot much time for innovation and requires donors to fall back into tried-and-tested procedures (KII 15/02/2023 a).

Many INGOs are trying to lighten these burdens for local responders as much as they can by adopting new due diligence schemes, absorbing a bigger part of the labour themselves, or supporting local partners in completing the technical aspect of things (KII 08/02/2023 c). To some extent, INGOs’ ability to adapt or revise their due diligence processes depends on donors’ attitudes (KII 03/02/2023 f). Some donors allow simplified procedures and due diligence waivers (KII 30/01/2023 b; KII 03/02/2023 c). In those cases, donors and INGOs understand and acknowledge, but ultimately accept, that they are taking on a higher level of fiduciary and political risk.

Partnerships: perceptions of Ukrainian organisations

The main priority for Ukrainian organisations is to provide aid to their communities in a timely manner. Among Ukrainian organisations, there were some respondents who saw the benefit of working with ‘broker organisations’ who could act as a bridge between their local knowledge and the technical know-how of international organisations (KII 02/02/2023 e). Others seek to work directly with donors and avoid intermediary partnerships in the future, even though they acknowledge that the “facilitating role” INGOs have played so far with big traditional donors with no knowledge of the Ukrainian context has been “the most significant plus” of working with them (KII 02/02/2023 d).

On that note, the majority of Ukrainian NGO respondents suggested that the heavy reliance on subcontracting arrangements contributes to unequal partnerships where their organisations are not fully recognised as integral to the response.

While Ukrainian organisations eligible to becoming subcontracting partners acknowledge that this arrangement benefits them by giving them greater means for providing assistance in the areas where they operate, they also underline specific disadvantages:



- **NNGOs are primarily seen as intermediaries with communities:** they implement the activities required but in some cases are not part of the design and decision-making process for how the funds will be used. As a large group of Ukrainian organisations said in an open letter, “We need to be supported as civic actors in our own right, not simply as ‘service providers’” (Philanthropy accessed 04/04/2023).
- **Partnership requirements of international organisations limit the pool of eligible NNGO partners and increase pressure on a small group among them:** subcontracting requires local partners to adhere to the processes, reporting, and due diligence requirements of the contracting organisation. These requirements are time-consuming and require specific skills and often dedicated personnel. It is mainly larger NNGOs that are able to meet these requirements. This has resulted in a small group of NNGOs repeatedly becoming the partners of choice and facing pressure to keep up with the demands of international organisations (KII 08/02/2023 a). As one INGO observed, “The largest challenge is that a few NNGOs are overwhelmed by multiple projects and multiple donors. We feel that we need to open for new potential partners” (KII 01/02/2023 a).
- **The system has not adapted:** despite several key reports and statements from both international and national responders, there has been little progress in improving the situation, and medium- to small-sized NNGOs are still unable to access funding support from international organisations (Humanitarian Outcomes 01/06/2022).
- **The subcontracting approach disadvantages many smaller organisations, religious organisations, and volunteer networks,** many of whom are newer and perhaps don’t have roots in the international humanitarian system but have nevertheless played a significant role in the humanitarian response. These local responders are very important and are often the only option for international responders in terms of expanding their geographical reach and accessing hard-to-reach or heavily conflicted areas. Because these local responders do not meet the administrative requirements, often also in terms of principled humanitarian aid, or have the technical or human resources capacity, the subcontracting model ends up overburdening the limited number of well-established Ukrainian national organisations while underutilising or even potentially taking advantage of these newer or smaller local or more informal organisations.

Local organisations underline the need for more flexibility from donors and awareness that the situation is very dynamic, meaning they need to quickly adapt their operations (CARE 24/08/2022). They also note that it takes too long to receive promised funding if the amounts are large, leaving them unable to respond quickly and efficiently to the rapidly changing needs of the people they serve (KII 02/02/2023 c; KII 02/02/2023 e).

HUMANITARIAN PRINCIPLES AND SAFETY

- Only one international organisation reported that they would not send their partners to areas they cannot enter themselves (KII 03/02/2023 b).
- The large majority of the interviewed INGOs and UN agencies reported that their local partners implement a significant share of their activities in the south and east of the country, including in frontline areas (KII 30/01/2023 b; KII 01/02/2023 a; KII 02/02/2023 a; KII 03/02/2023 c; KII 03/02/2023 d; KII 06/02/2023 c; KII 06/02/2023 d; KII 07/02/2023 b; KII 03/02/2023 f; KII 08/02/2023 b; KII 06/02/2023 f; KII 07/02/2023 c).
- Some INGOs regrettably admitted that they transfer risk to their NNGO partners (KII 07/02/2023 c; KII 03/02/2023 c).

INGOs and UN agencies underline that it can be challenging to partner with local organisations if they do not comply with the civilian nature of humanitarian aid and the humanitarian principle of independence. INGOs shared examples with ACAPS of when issues related to principled humanitarian action affected the degree to which they were able to localise their work. These include local organisations being coordinated by the military, collaborating with them, or openly giving assistance to them and political affiliations compromising aid, such as when humanitarian aid is rebranded with logos of parties and political associations (KII 30/01/2023 a). There are concerns that, especially at the municipal level, small organisations may be politically affiliated with some Ukrainian NGOs founded by government officials (KII 01/02/2023 a).

For many national responders, separating their humanitarian activities from their support for the Ukrainian military is unacceptable (KII 02/02/2023 e). Ukrainian civil society has acknowledged this in an open letter to the donor community. NNGOs have emphasised that they do not want to be neutral and think it is important for their country’s survival to serve both civilian and combat needs. They asked that donors give them funds to do their work on the basis of solidarity rather than neutrality (Philanthropy accessed 14/06/2022; EIA 03/10/2022).

The closer humanitarian assistance gets to the front lines, the more difficult it is to monitor neutrality. The subcontracting model affects principled action, as, for practical reasons, there is less focus on neutrality as the funds are downstreamed. Larger Ukrainian organisations depend on relationships within their networks, including with smaller and volunteer groups, to fulfil their commitments to donors. These local groups are able to secure access in hard-to-reach areas precisely because of their local military and political alliances. For this reason, it is likely that some suspicions of NNGOs providing assistance to the military are overlooked (KII 07/02/2023 c; KII 02/02/2023 d; KII 06/02/2022 d). From the start of the response to the Russian



invasion, there has already been some recognition that there would be a need to rely heavily on Ukrainian organisations and that this would challenge the principle of neutrality (EIA 03/10/2022).

Risk transfer

Donors expect aid to be delivered to hard-to-reach areas, including remote villages, frontline areas, and NGCAs (KII 06/02/2023 f). For INGOs, this creates a dilemma because they often cannot access these areas themselves because of limited capacity and a lack of local knowledge or their own security protocols. This means that they have to rely on partnerships with local Ukrainian organisations, which involves making judgement calls about whether and to what extent they are willing to let those organisations take on the risks of operating – including protection concerns – in those areas that they themselves cannot.

This results in a situation where informal networks and community groups, mostly staffed by volunteers with a higher risk tolerance than international responders, deliver the majority of assistance. These local organisations and networks take on a disproportionate share of the risk and, given their informal nature, are not adequately equipped and supported with resources, both physical and structural, for safety and to sustain their essential humanitarian work. Specifically, these groups lack essential supplies, such as fuel and personal protective equipment; they often use their own income, sources of which are depleting, to continue their operations; and they require mental health support, to cope with prolonged stress and burnout, and contingency planning support, both of which are not available to them (NP 05/2023).

International responders do not have a consistent approach to avoiding risk transfer. In some cases, they proactively try to reduce risk transfer by imposing their own security protocols on their partners – namely, ensuring that they do not operate in areas where they would not allow their own staff (KII 03/02/2023 b). That said, because of the downstreaming of funding and implementation of activities, especially last-mile delivery, it is unclear to what extent these international organisations are able to monitor compliance. Other international responders do not avoid risk transfer so much as they lessen responsibility by intentionally partnering with local groups who already have a high level of risk tolerance (KII 03/02/2023 c).

COORDINATION AND DECISION-MAKING

- The majority of international organisations mentioned coordination as one of the main challenges in forming effective partnerships with Ukrainian responders.
- International organisations dominate existing coordination mechanisms – the Humanitarian Country Team, inter-cluster coordination group, Area Humanitarian Coordination Teams, and NGO Coordination Platform – with meetings happening predominantly in English.
- There are a few NNGOs represented in big coordination forums, but there is not enough representation of smaller, more agile, and local groups, organisations, and volunteers. The large Ukrainian NGOs represented tend to have a more ‘internationalised’ view of the response. The Ukrainian local response is very varied, with multiple responders, views, and opinions that only a few large NNGOs cannot effectively represent.

Localising humanitarian response should involve shifting decision-making power and input into programme design to local organisations, recognising not only their ability to deliver aid but also their broader expertise and understanding of the different types of needs of affected people.

While there are extensive humanitarian coordination structures in Ukraine, discussions with both local and international organisations revealed that coordination **remains one of the main challenges in mounting an effective humanitarian response in the country**. Coordination structures are focused on the capital in Kyiv, with deficits at the local level where the international cluster system has not been evenly activated across locations or has not achieved full operational momentum. Some NNGOs are represented in the main coordination forums, but there is still limited representation from smaller, more agile local groups or volunteer networks. Including a larger number or a more diverse group of responders would strengthen their ability to effectively coordinate the response (KII 07/02/2023 a; KII 07/02/2023 b).

Main coordination mechanisms

In March 2023, less than 9% of Humanitarian Country Team members were national organisations (2 out of 23 members were Ukrainian NGOs). The representation of national organisations within the clusters and local coordination groups was more varied and difficult to understand, as each cluster counted their partners differently. Of the five clusters



interviewed, local organisations made up between 24–56% of the meeting participants. Four of the five clusters were aware that they did not include all relevant local organisations working on activities related to their sector. NNGOs that participate in formal coordination structures are usually those with previous history in the humanitarian sector, likely those who became involved in humanitarian work between 2014–2015 after the annexation of Crimea (KII 06/02/2023 a; KII 07/02/2023 a; KII 03/02/2023 a; KII 08/02/2023 d). International coordination structures are complex and difficult to understand for Ukrainian responders. Even international coordination responders struggle to explain all the coordination mechanisms on different levels. Navigating the different coordination forums at the national and oblast levels is difficult for local responders because of the burden on their time and staff; NNGOs have reported feeling overwhelmed by the number of meetings and bureaucratic requirements of the international system. At the same time, they feel a lack of reciprocity from international responders in sharing information or giving feedback, deterring them from increasing their participation in these structures (KII 13/02/2023 a; KII 06/02/2023 g).

There are a few NNGOs represented in main coordination forums, but there is not enough representation of smaller, more agile, and local groups, organisations, or volunteers. Ukrainian NGOs that are represented have quite an ‘internationalised’ view of localisation, with one big NNGO stating that “Ukrainian NGOs are not ready for localisation (from a funding perspective)” (KII 30/01/2023 c). The Ukrainian local response is very varied, with multiple responders, views, and opinions, and just the few biggest NNGOs cannot effectively represent its extent.

At least half of NNGOs involved in response coordination at the international level expressed criticism of those forums and their experience in joining them. Two of out of ten Ukrainian informants (representatives of local charity foundations) expressed not having experience with coordination mechanisms at all (KII 02/02/2023 d; KII 13/02/2023 a).

A lack of participation in the formalised coordination structures does not necessarily imply that local organisations are not coordinating. A number of formal and informal networks and operational coordination groups exist at a very local level and comprise the national and local organisations working in the regions. These organisations coordinate between themselves operationally but are not connected to international mechanisms (KII 04/02/2023 a). The networks are based on personal connections, vary by oblast in terms of their effectiveness and participation, and are especially active in Kharkiv and Zaporizhzhia oblasts (KII 04/02/2023 a; KII 07/02/2023 b). As the local response has expanded, the significant increase in the number of operational responders has also created coordination challenges, which in turn has led to a decrease in the coherence of the local response. This suggests a need to consider investing in local coordination efforts that prioritise collective frontline action (KII 07/02/2023 a).

Participants from NNGOs, INGOs, and UN agencies indicated that they appreciated the efforts of the Humanitarian Country Team and OCHA to improve coordination by raising awareness about the international coordination system at the regional and oblast levels (KII 07/02/2023 b; KII 30/01/2023 a). These events highlighted the potential for international responders to build their understanding of who the local responders were in the areas where they operated and how to reach them, as well as for local organisations to gain more understanding of the international system, how it worked, and why they would benefit from greater participation (KII 07/02/2023 a; KII 08/02/2023 d; KII 06/02/2023 b).

Duplication and parallel structures

Large international humanitarian responders in Ukraine have a significant resource advantage over local responders. This enables external responders to have more say in the design of operations, which leads to overlapping projects and parallel structures when they lack sufficient local knowledge (KII 02/02/2023 c). Ukrainian organisations report frustration with the development of parallel structures. Rather than building the capacity of Ukrainian responders to improve the response on their own, international organisations have continued to impose existing approaches developed elsewhere and that may not be applicable in the Ukrainian context. The rapid expansion of the international response has also led to duplications of effort given the lack of local knowledge and pressure to deliver aid quickly.

Disconnected capacity-building priorities

Many international responders emphasised that because so many new organisations had formed since February 2022, or some existing organisations had never been involved in humanitarian response, potential local partners often had very limited knowledge about the international humanitarian system or available funding mechanisms.

Ukrainian organisations challenged the way that capacity-building was understood within the response and noted a distinct bias in which international organisations highlighted NNGOs’ limitations while ignoring their own capacity deficits. In an open letter, for example, they explained that international organisations needed to develop their own organisational capacity and knowledge of the Ukrainian context, networks, and local civil society and questioned the dominance of an English-language-led operation (Philanthropy accessed 14/06/2022).

Capacity-building remains a core localisation activity for many international responders. In the case of Ukraine, these efforts have mainly focused on technical training sessions and workshops; half the local organisations surveyed reported taking part in technical training sessions to better understand the international system (KII 30/01/2023 c; KII 02/02/2023



e; KII 07/02/2023 d; KII 08/02/2023 e; KII 06/02/2023 g). This approach situates international organisations as the conduit through which local groups can access international funding opportunities, retaining their gatekeeper roles over a complex system with its own language, structures, and tactics largely determined by outsiders to the Ukrainian context.

Ukrainian organisations acknowledge that they lack the technical knowledge to meet the bureaucratic requirements of large traditional donors. They mention communication, finance procedures, reporting mechanisms, and understanding of where to find funding and how to participate in coordination structures as some of the biggest challenges (KII 02/02/2023 d; KII 02/02/2023 e; KII 06/02/2023 g). When asked what kind of support they would like, five out of the ten local organisations interviewed mentioned technical training specifically targeted at participating in the international sphere (how to conduct audits, put in place accountability mechanisms, reporting, and grant management, and best practices in aid distribution) (KII 02/02/2023 d; KII 07/02/2023 d; KII 08/02/2023 e; KII 01/02/2023 b; KII 13/02/2023 a).

There is also a need to distinguish between different types of capacity-building – on the one hand, developing the knowledge and skills that allow participation in the system and, on the other, supporting the capacity of NNGOs to sustain an efficient and effective response.

Capacity-building priorities of local organisations include addressing the management challenges of rapid scale-up and dealing with the emotional toll of long-term exposure to trauma. Some local organisations have had to grow fast, doubling or tripling the number of staff members and their scope of operations, but are unable to develop their technical capacities enough to meet the requirements of their new activities. That said, although responders mentioned capacity, when asked about their needs, six out of ten NNGOs mentioned more funds, with four prioritising it as their number one need (KII 02/02/2023 c; KII 30/01/2023 c; KII 02/02/2023 d; KII 02/02/2023 e; KII 07/02/2023 d; KII 01/02/2023 b).

Local organisations require a high number of staff to do their work, but recruiting and retaining capable staff is challenging. After more than a year of continuous work, volunteers are facing burnout and the depletion of their own savings. Some are returning to their previous jobs or accepting positions within larger INGOs because of financial need (KII 02/02/2023 f; KII 02/02/2023 e; KII 02/02/2023 d; KII 30/01/2023 b; KII 06/02/2023 d).

Several Ukrainian organisations highlighted that hiring competition with international organisations is also significantly depleting their capacity. UN agencies and INGOs have been recruiting staff to expand their activities in the country, diverting talent from local organisations and volunteer networks, which cannot compete with larger organisations in terms of salaries and other benefits. In effect, this weakens their ability to do their work.

Language

Language proficiency is a common challenge, as participation in the global humanitarian system relies not only on English language proficiency but also knowledge of sector-specific humanitarian jargon. Local organisations are often left out, especially at the higher management level (KII 07/02/2023 b; KII 07/02/2023 a). The option to speak in Ukrainian increases the ability of local organisations to participate in international coordination mechanisms (KII 03/02/2023 a).

One cluster that reported the highest number of national partners (exceeding the number of international members) also reported having all meetings at the national and subnational levels in both languages, translating all communication into Ukrainian and having a partnership focal point that speaks both English and Ukrainian, with technical support also available in Ukrainian (KII 06/02/2023 a).

A lack of outreach, particularly in Ukrainian, leads to missed opportunities for potential partnerships and funding. In some local organisations, staff – including at the managerial level – do not speak English, and organisations do not have dedicated capacities for translation services (KII 07/02/2023 a; KII 07/02/2023 b). While discussions indicated that communication has improved, there is still much work to be done to ensure that Ukrainian and international organisations can build better understanding of how each group does their work (KII 06/02/2023 b).