

Breaking the cycle: localising humanitarian aid in Ukraine

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Localising the humanitarian response in Ukraine would improve the sustainability and reach of the overall response – and set a valuable precedent. Addressing barriers to localisation and Ukrainians demanding reform are key.

Following the full-scale Russian invasion in February 2022, Ukrainian civil society launched a successful, countrywide relief effort. However, aid agencies subsequently ramped up the traditional international aid architecture and donors channeled billions of dollars through the United Nations and international NGOs. These moves bypassed a large set of Ukrainian responders while turning others into sub-implementing partners for their foreign counterparts.

According to the UN Office for the Coordination of Humanitarian Affairs (OCHA), by early 2023 the number of aid organisations working in Ukraine had increased five-fold since the beginning of the invasion. More than 60% of these organisations are Ukrainian. Yet less than 1% of the \$3.9 billion tracked by the UN in 2022 went directly to local actors.¹

These trends are particularly unfortunate because Ukraine offers an ideal context to move the global localisation movement forward while simultaneously improving the efficiency of the response itself. The country benefits from a high degree of political support from donor states and an exceptionally generous amount of funding. Ukrainian civil society, volunteer networks, and local officials have demonstrated a high capacity for effectively responding to their fellow citizens. In fact, most of the aid delivered over the year and a half of the conflict, especially to front-line and Temporarily Occupied Territories, was accomplished by Ukrainian NGOs and networks.

International promises and pledges

Soon after the invasion, Ukrainian and international organisations began warning that the failure to give Ukrainians greater control over international humanitarian aid was undercutting the effectiveness of the relief effort. In the months that followed, however, little progress was made.

UN agencies conducted an extensive localisation review in Ukraine in late 2022 with Ukrainian partners and international NGOs. The result was a commitment to concrete improvements across the board, specifically in cluster coordination, although no timetable

or detailed strategy was forthcoming. The UN's country-based pool fund – the Ukraine Humanitarian Fund (UHF) – did simultaneously launch a \$20 million 'envelope' (funding call) specifically earmarked for "enabling actors to partner with national and local partners." A preliminary round of 13 Ukrainian and international organisations received direct funding and more than 300 smaller Ukrainian organisations received funding as sub-grantees. By the end of the year, however, it was unclear whether and how this effort to drive more funds to Ukrainian organisations would be expanded and sustained.

Then in November, the US Agency for International Development (USAID) released a draft global report calling for a major effort to localise aid in line with the 2016 Grand Bargain.² The report and subsequent statements committed USAID to use its money and influence to drive change across the global aid ecosystem. At the December 2022 Effective Development Cooperation Summit in Geneva, several of the largest donors to the Ukrainian response, including the US Government, promised to "shift and share power to ensure local actors have ownership over and can meaningfully and equitably engage" in relief and recovery efforts. Nevertheless, by early 2023, USAID had still not directly funded any Ukrainian humanitarian NGO.

Ukrainians demand change

Although overwhelmed by the needs of the response itself, Ukrainian NGOs, civil society organisations and volunteer networks came together to formulate and express their own visions of reform. This led to a National Workshop on Localisation held in Kyiv in February 2023 that included hundreds of Ukrainian NGOs, donor representatives, UN officials and INGO leaders.³ Ukrainians identified five specific areas that required immediate action: 1) expanded priority funding for Ukrainian NGOs; 2) harmonising of verification processes; 3) support for capacity expansion; 4) enforcement of equitable partnerships and ethical hiring practices; and 5) tailoring of international coordination mechanisms to those used by Ukrainian civil society organisations. In addition, Ukrainians

also called for new, flexible pool funds specifically for Ukrainian NGOs and led by Ukrainians.

This growing Ukrainian awareness and assertiveness, combined with the international localisation pledges, seemingly tipped the balance to jumpstart real progress. Shortly after the National Workshop, Ukrainian NGOs Vostok SOS and the NGO Resource Center were elected to an expanded board of the Ukraine Humanitarian Fund (the largest UN country-based pool fund in the world). The move helped to address one major demand of greater Ukrainian representation at international decision-making tables.

As a result of the Ukrainian NGOs' leadership from within, strong donor support, and the commitments by the UN leadership, the UHF launched a second \$70 million call for proposals in March based in its entirety on localisation principles. The preliminary results are impressive: Nearly half of the allocations (almost \$35 million) will go to Ukrainian NGOs, up from a meagre 18% last year. No UN agencies will receive funding, whereas they were previously awarded almost one-third of funding.

In April, USAID finally approved direct funding for two Ukrainian humanitarian NGOs (R2P and Vostok SOS) and is now fast-tracking several other NGOs (with a 6-8 week approval cycle), in a coordinated effort to more quickly deliver funds to Ukrainian responders rather than routing the financing through international agencies. Furthermore, the UN's Humanitarian Country Team (HCT) is now poised to bring on more Ukrainian NGOs to its decision-making board (only Caritas Ukraine and R2P currently sit on the HCT).

By June, two other recommendations repeatedly outlined by Ukrainians also saw movement. First, Philanthropy in Ukraine (PhilinUA) soft-launched a new, Ukrainian-run vetting platform that effectively connects verified organisations with each other and donors, promotes transparency and trust, and fosters collaboration and knowledge-sharing within the charitable and philanthropic community. Second, the UK's Disaster Emergency Committee, together with START Network,

announced a new country-based pool fund for Ukrainian organisations only.

The Ukraine Locally Led Response Alliance

Buoyed by these advances, leading Ukrainian NGOs, smaller civil society organisations and supportive international NGOs coalesced to form the Ukraine Locally Led Response Alliance.⁴ Members of the Alliance understand that international agencies face substantial internal challenges in changing their own processes and that the only way deep, sustained reforms will be realised is by Ukrainians coming together at a local and a national level to coherently and continuously insist on a new direction. The mandate of the Alliance is therefore to convene a diverse array of Ukrainian CSOs, volunteer networks and established NGOs to more effectively coordinate and advocate for themselves and the communities they serve.

Addressing further barriers to localisation

Although the creation of a national Alliance fills an important gap, there are other structural barriers that are blocking aid localisation.

Firstly, most Ukrainian relief groups cannot meet donor and aid agency reporting requirements. However, another way to look at the problem would be that donors lack the capacity to accommodate local aid groups. Donors are not staffed to manage more grants of smaller values, which is what is needed by Ukrainian civil society.

Secondly, most large bilateral donor agencies and their legislative oversight bodies repeatedly emphasise concerns over potential aid diversion and corruption. These concerns are a common donor excuse for the lack of localisation, but this rationale should be harder to sustain in Ukraine than in other countries, given that most of these same donors are accepting high risks in providing aid to Ukraine's war effort.

Thirdly, in Ukraine there is a high degree of mixing of military and civilian aid. The most powerful donors, INGOs and UN agencies in Ukraine are guided by core humanitarian principles of independence,

neutrality and impartiality. Many Ukrainian groups, however, view their relief efforts as part of a whole-of-society resistance to the Russian invasion and, for them, the distinction between aid for soldiers versus civilians does not carry the same significance.

These barriers are real but not insurmountable. One way forward would be for donors to invest substantially in both the UHF and the emerging START hub in support of specific funding calls or “envelopes” that would directly address the barriers. For example, these funds could support Ukrainian organisations to hire key positions generally viewed as crucial for any humanitarian organisation to grow and sustain itself. These include a Monitoring, Evaluation, Accountability and Learning (MEAL) officer, a partnership officer, and a grants officer. This would help local groups to better manage international partnerships and become prime grantees and/or UHF recipients. As a result, Ukrainian organisations could become more sustainable.

A second envelope could support anti-corruption systems embedded inside Ukrainian organisations as well as partnerships between Ukrainians and internationals to engage in joint third-party monitoring of aid. Funding anti-corruption systems within the Ukrainian NGO civil society landscape would strengthen internal capacities. It could also have a positive multiplier effect by further fortifying Ukrainian society against aid diversion and corruption generally.

Corruption in Ukraine is widely regarded as emanating from the public sector – and especially the judiciary – usually impacting and involving private sector enterprises. In contrast, the country has incubated a strong set of local anti-corruption organisations in the NGO sphere that have a deep experience in, and have been leading the fight against, corruption. Reports of aid diversion have so far been few in number and small in scale, bolstering confidence that enhancing humanitarian anti-corruption systems could significantly reduce the chance of aid diversion becoming systematic.

A third envelope could provide support for Ukrainian organisations willing to separate humanitarian operations from the military

effort. A significant number of Ukrainian civil society groups remain adamant that they will never separate or end their support for the military. However, other Ukrainian relief organisations have expressed a willingness to do so if the marginal costs and technical challenges associated with creating a firewall for their activities could be covered. There is, however, no guarantee that donors and international humanitarian agencies would accept firewalling as a solution.

For localisation reforms to continue funding calls that address the main barriers head on will be vital. Billions of dollars more in humanitarian funding are likely to make their way to Ukraine in the coming months and years. Marshaling them in service of the deeper localisation reforms sought by Ukrainians could significantly improve the sustainability and reach of the overall response. If successful, this would also set a strong precedent for change that could be leveraged globally.

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1. DEC (2022) *Options for supporting and strengthening local humanitarian action in Ukraine: A scoping exercise report* bit.ly/local-humanitarian-options
2. The Grand Bargain is a unique agreement between some of the largest donors and humanitarian organisations who have committed to improve the effectiveness and efficiency of the humanitarian action.
3. A National Workshop on Localizing Humanitarian Aid in Ukraine: bit.ly/workshop-localisation
4. The Interim Steering Committee of the Alliance is composed of more than a dozen Ukrainian NGOs, including Helping To Leave, The NGO Resource Center, the National Network of Local Philanthropy Development, the Ukrainian Red Cross, R2P, Caritas Ukraine, Ednannia Foundation, Zagoriy Foundation, Vostok SOS and several other organizations and INGOs, with the latter serving in an observer capacity.

