

ANNUAL UKRAINE LOCALIZATION SURVEY 2024

December 2024



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The Center for Disaster Philanthropy is the only full-time resource dedicated to helping donors maximize their impact through expert resources, community-driven grantmaking and philanthropic consulting services.

About EAST SOS

The Charitable Foundation «East SOS» was established in 2014 with the mission of providing comprehensive support to victims of Russian aggression. The foundation's initiatives extend across all government-controlled territories of Ukraine.

About Refugees International

Refugees International advocates for lifesaving assistance and protection for displaced people and promotes solutions to displacement crises around the world. We do not accept any government or UN funding, ensuring the independence and credibility of our work.

Featured Images: Top photo – Law specialist of CF East SOS works with the evacuated person in the transition shelter in Pavlohrad, Dnipropetrovsk oblast, 9th November 2024; bottom left photo – Evacuation by CF East SOS specialists, Pavlohrad, Dnipropetrovsk oblast, 10th December 2024; bottom right photo – Specialist of CF East SOS consults evacuated person after Russian terrorist attack on Kakhovka Dam, Kherson oblast, June 2023

Table of Contents

3	Executive Summary
6	Summary of Recommendations
8	Rationale and Methodology
10	Survey Findings
23	Recommendations
27	Conclusion

Executive Summary

Almost three years since Russia’s full-scale invasion of Ukraine, international actors still monopolize humanitarian response funding, leadership, and policy influence. There has been insufficient structural change to effectively localize the humanitarian response, despite ample funding, support for localization pilots, and engagement on the part of Ukrainians.¹ A genuinely Ukrainian-led humanitarian response would be more cost-efficient and would also be better positioned to stay and serve people in need in the face of expected donor cutbacks in the future. The survey described in this report and publicly accessible data indicate:

- **Less than 1% of humanitarian funding tracked by the UN has gone directly² to Local/National Non-Governmental Organizations (L/NNGOs) despite clear cost efficiencies compared to international responders.** Although the period between March and October 2024 saw the largest jump yet in direct funding from donors (\$25 million out of \$1.76 billion), just 0.8% (\$80.1 million) of the \$9.95 billion in humanitarian aid sent between February 2022 and October 2024 went directly to L/NNGOs. This is despite the fact that, as the July [Passing The Buck Ukraine report](#) revealed, L/NNGOs are between 15.5% to 32% more cost-efficient than international actors, with international staff costs at both the UN and International Non-Governmental Organizations (INGOs) in Ukraine significantly more than local staff costs even when controlled on an equitable cost of living basis.
- **Cash and Voucher Assistance (CVA) is overwhelmingly managed by UN agencies and INGOs.** CVA is the largest single type of internationally financed humanitarian intervention in Ukraine, with \$2.1 billion transferred since February 2022. Only 3.4% of CVA has been handled end-to-end by L/NNGOs.
- **International responders acknowledge L/NNGOs do the majority of the frontline delivery work but receive a minority of funding.** UN Agencies surveyed estimated L/NNGOs implemented on average 55% of their program activities. However, only 35% of UN budgets on average in 2023 were allocated to L/NNGOs, with a significant portion likely delivered to L/NNGOs as in-kind goods, services, and equipment. INGOs said they were doing slightly better – with more direct budget transfers instead of in kind items going to their partners – but still acknowledged the disparity, estimating that their L/NNGO partners do on average 50% of the work but receive 33% of funds.
- **Most donors are trying to fund L/NNGOS directly, but progress is limited.** Two thirds of donors surveyed reported having ongoing programs designed to improve the ability of L/NNGOs to become prime grantees instead of remaining as subcontractors. But only one third of donors reported funding national NGOs directly and then only as a small part of their overall budget. None of the donors track how much money UN agencies reallocate to their local implementing partners.

¹ Read an [“Update on ten key localization initiatives in Ukraine.”](#)

² Direct funding is defined by the InterAgency Standing Committee (IASC) as, “funding from the original donor to local and national organisations i.e. funding that does not pass through an international intermediary.”

- **There appears to be a relative lack of financial support for L/NNGOs to engage in internationally-led coordination mechanisms or clusters.** All UN Agencies have dedicated, funded cluster positions, and 55% of INGOs reported having full or partial funding for their representation. All clusters, however, report not knowing if – and to what extent – their L/NNGO members are able to successfully fundraise to cover their representation, with 40% of clusters reporting they believe L/NNGOs are not able to fundraise at all for cluster-related positions. The relative **lack of financial support** for engaging in internationally-led coordination mechanisms is **often cited** by L/NNGOs as a **major impediment** for their sustained involvement in clusters.
- **L/NNGO cluster participation has improved but gaps persist.** Even though the participation of L/NNGOs in the clusters has improved, including when it comes to involving them in decision-making roles, more than 50% of cluster representatives still reported difficulties in involving L/NNGOs in decision-making or strategic discussions and highlighted the narrow involvement of only a limited number of L/NNGOs in decision-making rather than the wider set of L/NNGOs formally considered as cluster members.
- **L/NNGOs report a high level of aid coordination between themselves.** Among our L/NNGO respondents, 90% reported high coordination and cooperation with other L/NNGOs, a further indication of the high availability and use of Ukrainian-Ukrainian coordination in the response.
- **International respondents know what provisions and practices are vital for localization but most have not changed their written policies and monitoring approach.** International respondents know the importance of multiyear funding, the “passporting” of vetting requirements between international organizations to reduce bureaucracy and delays, fair Program Support Costs (PSC)/overhead, adequate Duty of Care (DoC) and involving L/NNGOs in strategic planning and program design and management. There is also acknowledgement that the poaching of Ukrainian staff has negatively impacted Ukrainian organizations and institutions. But implementation of PSC/Overhead for L/NNGOs appears largely subject to ad hoc procedures that vary widely between actors. Two-thirds of UN Agencies say they offer security risk reduction support for their L/NNGO partners, while 95% of INGOs say they do, but the quality and extent of coverage are unclear and divergent while monitoring mechanisms appear to be largely absent. The same goes for ethical hiring and recruitment guidelines that, for example, discourage the employment of Ukrainian nationals employed by an L/NNGO implementing partner (IP) for a certain amount of time. Eighty percent of INGOs do not have a written policy while no UN agency reported being bound by such a policy.
- **There has been little progress on longstanding L/NNGOs criticisms about partnerships with international responders.** These are primarily: 1) lack of access to adequate, multi-year funding; 2) heavy reporting requirements and time consuming due diligence; 3) lack of administrative resources to go through these processes successfully; and 4) the lengthy time it takes to receive a grant and significant delays in payments of funding tranches. They also regularly mention unreasonable or inappropriate requests, such as for data that was not originally collected or pictures that violate the dignity of beneficiaries, and a lack

of direct contact with donors for a given project. Eighty percent of L/NNGOs surveyed tend to believe that L/NNGOs have only partial or no influence over the creation of humanitarian programs.

- **Nearly all international actors are aware of the Alliance of Ukrainian CSOs which is leading localization reform efforts.** Thirty two out of 33 donors, UN agencies and INGOs reported being aware of the Alliance's Localization Strategy (described below). Two-thirds of donors, half of UN agencies and 90% of INGOs said they have either endorsed the strategy or are likely to do so in the future.
- **Localization plans and staff are proliferating.** All but one UN agency now has a specific localization strategy in place for Ukraine and four out of seven agencies reported that they now have a localization point person primarily overseeing the strategy. Sixty five percent of INGOs said they currently have a localization strategy in place for Ukraine specifically, while 35% said they have a localization point person for Ukraine.
- **L/NNGOs are often not involved in the design of localization strategies.** Only 30% of INGOs reported that L/NNGOs had been involved in the design of their organization's localization strategy. UN agencies fared somewhat better with four out of five who said their localization strategy was designed with L/NNGOs but it is notable that one large UN agency admitted to not having involved L/NNGOs at all in their strategy's design and only one agency involved L/NNGOs in their country-level strategy.

Because Ukrainian organizations remain mainly as sub-contractors rather than prime grantees, many L/NNGOs struggle to develop their capacity to rapidly absorb significant amounts of additional funding directly from donors.³ L/NNGOs have yet to cohere into operational consortia that could stand in for INGO-led consortia. There is also no nationally-led pooled fund as yet that could augment the United Nations Office for the Coordination of Humanitarian Affairs (OCHA)-led [Ukraine Humanitarian Fund \(UHF\)](#) and direct significantly more funding to L/NNGOs. At the same time, some L/NNGOs are particularly vulnerable to possibly imminent cuts by state donors to UN agencies and INGOs. Seventy percent of L/NNGOs surveyed reported having ongoing contracts with UN agencies while all reported having contracts with INGOs. A heavy emphasis on keeping L/NNGOs as sub-contractors rather than strengthening their independent capacity is [widely recognized](#) as hindering the resiliency of L/NNGOs – and humanitarian responses overall – after international actors exit because of funding shortfalls.

In Ukraine, all of the donors surveyed described growing support for and urgency around transitioning to a locally-led response. If there is to be a real shift, however, donors across the board will have to place much greater trust and confidence in L/NNGOs – and at a faster rate – than they already have. They can do so with confidence given the lack of corruption indicated in our survey:

³ One leading U.S. think [tank](#) closely associated with the incoming Donald Trump administration has called for an array of localization reforms globally to substantially shift funding and power away from international actors and towards L/NNGOs.

- **Across 32 donors, INGOs and UN Agencies, none reported a substantial, confirmed case of corruption by Ukrainian partners to date.** Despite almost \$10 billion of internationally financed aid flowing to the country since February 2022, respondents were unable to point to any substantial, confirmed cases of corruption, although several noted limited program irregularities (mostly amounting to misunderstandings by L/NNGOs regarding what could be spent via certain budget lines). As the survey further demonstrates, Ukraine is probably one of the most audited, spot-checked and monitored humanitarian responses in modern history.

Increased trust and confidence on the part of donors will not be enough, however, to ensure that decreasing funding finds its way directly to Ukrainian responders and the people in need they serve. Ukrainian NGOs must also build out operational coalitions that can produce aid economies of scale to replace international intermediaries. At the same time, Ukrainian humanitarian actors need to maintain strong oversight to ensure against corruption.

Summary of Recommendations

To Donors:

- Address procedural obstacles that block direct funding to Ukrainian responders;
- Increase support for the Ukraine Humanitarian Fund, contingent on the Fund allocating more grants to Ukrainian responders;
- Invest in nationally-led Pooled Funds (PFs) and operational consortia led by Ukrainians as Primes;
- Enhance transparency and dialogue with Ukrainian responders – in Ukrainian – about funding, partners, and priorities;
- Mandate that international partners implement key localization reforms;
- Urge the UN-led HCT, the UHF, and the Cluster System to significantly expand Ukrainian representation and leadership at all of their decision-making tables and to provide support for their involvement; and
- Press the HCT to implement and monitor the Alliance’s Localization Strategy.

To UN Agencies, Clusters & INGOS:

- Increase reporting and sharing of relevant data;
- Pilot more multi-year funding for Ukrainian responders and expand due diligence “passporting;”
- Implement and monitor Ethical Recruitment Guidelines that reduce staff poaching by INGOs and UN agencies;
- Increase Ukrainian representation at the HCT and the UHF board and expand Ukrainian leadership across programs; and
- Speed up and expand an Area Based Coordination (ABC) approach.

To L/NNGOs:

- Continue to build out coordination, partnerships, and anti-corruption systems;
- Take the lead in producing relevant research and monitoring the response as a whole; and
- Ensure that smaller LNGOs have a seat at the table.

Rationale and Methodology

For at least two and a half years, discussions, consultancies, and reports by NGOs, UN agencies, and donor states about localizing⁴ the humanitarian response have proliferated but have had limited impact. A key problem has been the lack of regularly updated, publicly accessible data to assess the state of localization in Ukraine. The one exception has been the “[Humanitarian Localization Baseline for Ukraine](#),” led by the NGO Resource Center (NGORC). First published in September 2023, the Baseline [annually](#) collects responses by hundreds of aid actors in order to measure progress on important localization metrics compared to the previous year.

This Annual Ukraine Localization Survey by the U.S.-based NGO [Refugees International](#) and the Ukrainian NGO [East SOS](#),⁵ complements the mainly perceptions-based focus of the Baseline by 1) collecting quantitative and qualitative data from Key Informant Interviews (KIIs) separated according to their role in the response (Donor, UN agency, INGO, Cluster and Local/National NGO or L/NNGO, 2) assessing what this data reveals about the broader context and trends and 3) recommending specific ways that each component of the response can empower Ukrainian responders and improve the delivery of aid to people in need.

It is centered on 50 KIIs conducted virtually between August and early October 2024. Twenty humanitarian INGOs, six UN agencies and OCHA, six donor states, seven clusters⁶ and ten Ukrainian humanitarian NGOs had their responses to our survey recorded anonymously, with most interviews lasting between 45 minutes and one hour. In order to capture a full year of data and reliably compare them across many organizations, we focused several of our financial-related questions on 2023 and asked for estimates of current and future year trends. Survey participation was voluntary and the questions were limited so as not to take too much time away from the work of aid delivery by respondents. While we were able to secure a large number and diversity of KIIs, our reach was still limited when compared to the thousands of organizations, agencies, and networks involved in the response. The data and answers provided by KIIs are also self-reported and mostly estimates. We had neither the resources nor the access to verify them or to ensure that response categories were based on harmonized definitions.

In addition to the survey KIIs, more than three dozen interviews were conducted with stakeholders in localization reform – both in Ukraine and globally – between July and October, including representatives of international advocacy coalitions, humanitarian NGO platforms/

4 The authors adopted the [definition of localization](#) used by the Center for Disaster Philanthropy (CDP) localization: “The process of recognizing, respecting and strengthening the leadership by local authorities and the capacity of local civil society in humanitarian action, to better address the needs of affected populations and to prepare national actors for future humanitarian responses.”

5 The Annual Ukraine Localization Survey was prepared by Ewa Wieliczko, Nicholas Noe at Refugees International, and Yuliia Matviichuk at East SOS. Our team would like to especially thank the Alliance of Ukrainian CSOs, the Catholic Agency for Overseas Development, OCHA Ukraine, the UHF and the Humanitarian NGO Platform in Ukraine for their support and engagement throughout. The Survey was made possible by a grant from [CDP](#) as a part of their ongoing efforts to support medium- and long-term solutions that ensure access to basic services and strengthen the protection and rights of those affected by the humanitarian crisis, especially marginalized and at-risk populations.

6 A full description of the UN-led cluster system in Ukraine is available [here](#).

fora and experts on humanitarian partnerships, coordination, and funding mechanisms. Two workshops were held with a total of two dozen Ukrainian NGO and volunteer network representatives, in person in Dnipro on July 15 and virtually on September 26, in order to hear and discuss L/NGO views in a group setting. Further, the authors conducted a desk review of localization-related research and reports during this period.⁷

Finally, a Reference Group provided guidance and feedback in June, when East SOS and Refugees International began to co-design the survey, and in November when a draft was circulated to Group members for comment. The following organizations participated: The National Network for Local Philanthropy Development, The Catholic Agency for Overseas Development (CAFOD), The Humanitarian NGO Platform in Ukraine, The Alliance of Ukrainian CSOs, Oxfam, and NGORC.

It is important to note that this survey is mainly focused on the operational practices of INGOs, UN agencies, clusters, and especially donors, the latter of which hold the greatest potential to drive systematic changes via their financial power. A section is dedicated to Ukrainian KIIs but the Baseline and reports from several other Ukrainian organizations more deeply analyze the perceptions, needs, and operations of Ukrainian responders. In particular, Ednannia Foundation and Philanthropy in Ukraine have [produced crucial work](#) in this regard. Like NGORC and East SOS, both are also founding members of [the Alliance of Ukrainian CSOs](#). It is our hope that Ukrainian NGOs will conduct this Survey each year, or until such time that they are satisfied that an adequate mechanism is in place to monitor international support and hold different actors accountable for commitments they have made.

⁷ Particularly important localization-related research and reports for this Survey include: Humanitarian Outcomes (HO) June 2022 report, “[Enabling the local response: Emerging humanitarian priorities in Ukraine March–May 2022](#),” led by Abby Stoddard who also provided updated interpretations of FTS data consistent with the original HO report; National Network of Local Philanthropy Development’s August 2022 [Open Letter “If Not Now, When”](#); People in Need’s September 2022 report, “[Emergency Response in Ukraine: Partnerships and Localization Agenda](#),” The UK Disasters Emergency Committee (DEC) December 2022 [study on options to support a locally-led response](#); Christian Aid’s January 2023 report, “[Letting go of control: Empowering locally led action in Ukraine](#),” The results of the [1st Ukrainian Aid Leadership Conference](#) in February 2023 and the [14 detailed recommendations](#) laid out by the Final Conference Communique to promote a locally-led response. Additionally, the results of [The Second Annual Ukrainian Aid Leadership Conference](#) held in March 2024; ACAPS/Refugees International’s June 2023, “[Perceptions of Localisation in the Humanitarian Response](#),” The Humanitarian NGO Platform in Ukraine and Mercy Corps December 2023 report, “[Understanding Ongoing Localization Initiatives and Improving the Policy and Operational Environment for Local Actors](#),” Two global reviews, helpful in understanding the perspectives of state donors, were DG ECHO’s March 2023, “[Promoting Equitable Partnerships with Local Responders in Humanitarian Settings](#)” and USAID’s September 2024, “[Policy on Locally Led Humanitarian Assistance](#).”

Survey Findings

Donors – Key Findings:

- **Budget cuts are widely anticipated in 2025**
- **Direct funding for L/NNGOs is still limited**
- **Most donors do not mandate or even track key partnership metrics amongst their grantees**
- **Lack of capacity for smaller grantmaking, perceived corruption risks inhibit direct funding**
- **No donor reported substantial, confirmed cases of corruption by L/NNGOs**

The six donors who agreed to be interviewed for the survey are among the most prominent states supporting Ukraine. They collectively allocated over \$2 billion for humanitarian purposes to the Ukraine response in 2023, representing approximately 56% of the total humanitarian funding (\$3.6 billion) last year. Five out of six donors interviewed reported that their humanitarian funding for Ukraine will be decreasing next year. Out of the three donors who were able to say how much money they are expecting to allocate to the Ukraine response next year, two are expecting a 60% cut in funding compared to 2023. As of October, the [2024 Humanitarian Needs and Response Plan](#) received less than half of the requested US\$3.11 billion, according to OCHA.

Donors to the Ukraine response have made little progress over the last two and a half years when it comes to one of the most important measurements of localization, direct funding. Two out of six donors reported that they provided \$12.8 million to L/NNGOs directly in 2023 out of over \$2 billion allocated, or 0.6%. The two donors additionally reported that the share of funding received directly by Ukrainian NGOs is likely to stay the same or only marginally increase next year. Out of four donors who reported not funding Ukrainian organizations directly, two are actively considering funding Ukrainian NGOs directly in the future. This picture tracks closely with the available overall data. Three months after the full scale invasion of February 2022, Humanitarian Outcomes reported that donors had directly transferred .003% of funds to L/NNGOs. By October 2024, that figure had risen to just .8%, or \$80.1 million out of \$9.95 billion in humanitarian aid tracked by FTS, even though far more than this extremely meagre amount could have likely been absorbed by [several](#) of the Ukrainian [humanitarian actors](#) and [CSO grant making foundations](#) that were operating well before 2022 and which dramatically scaled up anyway, albeit mostly as sub-implementing partners for INGOs and UN agencies.

USAID, the second largest humanitarian donor after the EU and its member states, has seemed to have made the most progress over the last year in onboarding direct L/NNGO partners, at least according to publicly available reports. It now has four Ukrainian direct grant recipients, with several L/NNGOs in the pipeline to become primes. Although this represents a small percentage of USAID's overall humanitarian expenditures in Ukraine, the agency – like several other state agency donors – recently committed to using its significant leverage over the intermediaries it funds in favor of wider localization reforms, a dynamic that could drive

significant change. According to its new localization [policy](#), announced in July 2024, “USAID has the opportunity—and the responsibility—to serve as a global advocate and thought leader, using our convening power, partnerships, voice, and other tools of humanitarian diplomacy to catalyze a broader shift toward locally led humanitarian assistance.”

As one example of this dynamic, a donor reported having required INGO recipients in 2024 to provide a minimum of 40% of their approved project budget to L/NNGOs (as budget transfers, not just in-kind contributions), as well as a 7% contingency/flexible cost allocation and 3% for capacity strengthening. Another donor reported that, “we have made it explicitly clear [to INGOs] that this is a graduation approach and we intend to fund your local partner. We have one example now where a Ukrainian organization has become the prime and the INGO is now acting as a sub-prime.” Two-thirds of all donors interviewed reported having ongoing programs that are designed to improve the ability of specific Ukrainian organizations to become prime/direct grantees, but all admitted that they conduct no – or very little – outreach to Ukrainian NGOs in general in the Ukrainian language despite this being widely cited as a key barrier to engagement by L/NNGOs.

In general, it is rare to find donors actually mandating (and then monitoring) policies that are widely regarded as crucial for implementing an equitable and effective locally-led response.⁸ Only one donor reported having formal rules or regulations mandating fair partnership principles for sub-implementing partners and how much money should be transferred to Ukrainian responders by primes. The same donor reported requiring PSC/overhead, although no specific rate was mandated. No donor required meeting specific L/NNGO [leadership and participation metrics](#) related to the co-design of projects, coordination responsibility, and/or feedback mechanisms. Moreover, none of the donors track how much money UN agencies allocate to their local or national implementing partners while only two out of six track how much money INGOs are allocating to their partners. One donor reported that they do not even ask UN Agencies to report where their funding went in general.⁹ This is particularly remarkable since UN agencies and INGOs told us they track this themselves. Only two donors publicly provide significant information about their funding partnerships. Two do not share such information at all, and two share it partially, but then predominantly only as funding relates to INGOs and UN agencies.

All donors expressed a desire to ease the application, compliance, and monitoring burdens that L/NNGOs face in their partnerships with INGOs and UN agencies. For example, two-thirds reported that they would allow their primary grantees to use due diligence passporting for their sub-implementing partners. Several suggested approving the due diligence completed by subs who were primes of other donors (an extremely small subset). However, donor respondents admitted that the responsibility for any irregularities and risks would fall on the prime grantee since there are no regulations about how to share such risk.

⁸ Key among these missing – but readily available – policies are the [Collective Monitoring and Accountability Framework](#), [Duty of Care \(DoC\) guidelines](#), [ethical hiring and recruitment guidelines](#) and the [IASC Guidance on Strengthening Participation, Representation and Leadership of Local and National Actors](#), among a range of other well known, deeply researched mechanisms.

⁹ The same donor described one occasion where a large grant was transferred to a UN Agency and “the Agency didn’t bother to tell us that they had indeed received the funds.”

One-third of interviewed donors indicated they think there is a higher risk of aid diversion or corruption when working with local partners than with international partners. At the same time, none of the donors interviewed reported any substantial, confirmed case of corruption or aid diversion by Ukrainian partners to date despite having completed numerous audits and monitoring reports over the last two and a half years. One-third of the interviewed donors indicated there have been some smaller cases of program irregularities, mostly amounting to misunderstandings of what could be spent via certain budget lines. Aside from the perception of elevated corruption risks, the main challenge with funding Ukrainian organizations mentioned by all donors is not having enough staff capacity to handle more contracts and especially smaller dollar contracts. Other barriers include national organizations' capacities to absorb and manage very large amounts of funding and legal barriers laid down by donor states that restrict direct funding. However, one donor which cited national rules against direct funding of L/NNGOs was surprised to learn that a separate agency within the same state government did in fact provide humanitarian funding directly to one large Ukrainian NGO, illustrating that workarounds and exceptions can be found.

All donors reported being aware of the Alliance CSO UA Localization Strategy. Two-thirds reported that their agency is likely to endorse it, while the other two were undecided. One-third of the donors also reported having their own localization strategies for Ukraine (with another donor actively working to complete one) and two-thirds indicated that they now have a localization point person whose primary responsibility is overseeing the implementation of the strategy.

UN Agencies - Key Findings:

- **L/NNGOs implemented 55% of UN program activities, received 35% of UN agency budgets**
- **Agencies extensively track data about efficiency and quality of partnerships with L/NNGOs**
- **Progress has been made on PSC/overhead and DoC for L/NNGOs but extent is unclear**
- **Scant progress has been made in regulating staff poaching and multi-year funding**
- **There are systems allowing for the passporting of vetting but only half of agencies use them**
- **Most agencies still regard their L/NNGO partners as mainly IPs and funding recipients**
- **Only one agency involved L/NNGOs in their country-level strategy**

The six operational UN agencies that agreed to be interviewed for the survey (OCHA additionally participated in an amended version centered on coordination) collectively spent \$1.2 billion in Ukraine in 2023, representing 63% of total UN expenditures in Ukraine, which amounted to \$1.9 billion. One UN agency was not able to provide data in time for publication regarding several financial questions and was therefore excluded in those results. Without this agency, UN respondents still represent 47% (\$892 million) of all UN expenditures in 2023.

UN agency willingness to disclose some basic data otherwise unavailable to Ukrainians or

humanitarian responders marks progress from the survey that [ACAPS led last year](#) with Refugees International in which no UN agencies participated. We were able to confirm that UN agencies extensively track data related to the efficiency of operations and the quality of partnerships with L/NNGOs that are readily available to senior management. Much of this, however, does not appear to be shared even with OCHA, much less other UN agencies or implementing partners, likely [reducing the overall efficiency of](#) humanitarian operations.

Two of five UN agencies reported providing approximately 50% of funding to L/NNGOs in 2023 in the form of budget transfers, while three other agencies said they gave close to 100% in the form of budget transfers. It should be noted, however, that one UN agency heavily involved in in-kind transfers to L/NNGOs did not participate in the survey. Although these agencies estimated that L/NNGOs implemented 55% of their activities, 35% of UN budgets (\$315 million) were allocated to L/NNGOs in the form of in-kind or budget transfers.¹⁰

Unsurprisingly for a response that has now reached almost \$10 billion (nearly 50% of which has gone to UN Agencies), all respondents described huge boosts in their staffing and operational footprint almost immediately after the full-scale invasion in 2022, with most agencies going from a budget of a few million dollars in 2021 and staffing in the low double digits to between \$100-\$300 hundred million dollar budgets in the last full calendar year (2023) and staff numbering in the hundreds. Five of seven agencies expect their budgets to decrease next year compared to this year – on average by 25%. Only one UN agency has a transition plan in place to eventually scale down and hand over operations to Ukrainian organizations. One is also planning to scale down in 2025 by as much as 40%, although this is not a part of a specific transition plan *per se*.

In what appears to be a turnaround from the first year of the response, three of six UN agencies said they allow for PSC/overhead by L/NNGOs. One agency staffer bemoaned the fact that their country office has “had to go to war with HQ” and still has not gotten the prohibition lifted. Another staffer at a different agency acknowledged that they continue to discriminate between international partners and L/NNGOs in terms of the allowable rate (a spread that amounts to a 3% higher rate for INGOs). It also remains unclear the extent to which “allowable” PSC/overhead is actually being realized by L/NNGOs.

Similarly, four of six UN agencies say they offer security risk reduction support for their L/NNGO partners in some form – including security training, security analysis or budget line items for PPE or insurance. However, not all of these important Duty of Care (DoC) provisions appear to be mandatory, and it is unclear to what extent each is funded. “There was a push,” explained one UN agency staffer, “even before the full-scale invasion in 2021 for a specific line item at least covering security-related items, but nothing has been implemented until now [at their agency].”

Three of six UN agencies responded that they effectively allow some form of passporting of vetting requirements, in particular between other UN agencies. The Harmonized Approach to

¹⁰ One of the largest UN Agencies now contracts with one National NGO which handles sub-implementing relations with more than 300 L/NNGOs, indicating that large Ukrainian NGOs manage substantial portfolios and, in some cases, are overseeing grants and programs for large numbers of local partners.

Cash Transfer (HACT) system as well as the [United Nations Global Marketplace](#) or procurement portal was highlighted by all three of these agencies as partially lessening the arduous vetting and capacity assessment requirements about which L/NNGOs routinely complain. Three UN agencies, however, reported that they effectively did not allow for any such passporting, leading one UN staffer whose agency uses HACT to note the obvious: “We really need to get everyone on board and fully using HACT, for starters other UN Agencies.”

Progress towards providing multi-year funding (MYF), [which some UN Agencies and INGOs benefit from](#) in different forms, has been more limited than in the case of PSC/overheads, DoC and passporting. While the need for such funding is also well known, [especially for L/NNGOs](#), and is routinely cited by L/NNGO respondents in Ukraine as an enduring problem, no UN Agency reported being able to offer MYF. One of the largest UN Agencies explained that they have been able to “work around this problem” by engaging L/NNGOs in multi-year “relationships” but where the actual budget is still only assured on a year-by-year basis. Anything more was prevented by their HQs as well as the annualized nature of the Humanitarian Needs and Response Plans (HNRP).

Progress has also been scant when it comes to poaching L/NNGO staff – a major problem often cited by Ukrainian organizations given that UN agencies offer salaries and benefits far in [excess](#) of what L/NNGOs can offer, and respondents estimated that 75% of UN staff on average is composed of Ukrainians. No UN Agency reported being bound by an explicit policy against the poaching of staff from their implementing partners or L/NNGOs generally – including the HCT policy that was approved in 2023. At the same time, Ukrainians make up an average of 75% of the full-time workforce of UN Agencies (including OCHA), with several reporting that more than 90% of their staff is national. As one top UN staffer put it bluntly, “We know we should have such policies in place. We don’t.” Reasons for continued staff poaching identified by several UN officials are: 1) fair hiring policies limit the legitimate function of a free market; 2) hiring Ukrainians is an excellent way to “localize” the response; and 3) although it may be unfair, it is necessary for the crucial work of UN Agencies.

Most UN Agencies – four out of six – still regard their L/NNGO partners as mainly implementing partners and funding recipients rather than strategic partners that are empowered to truly co-design and co-lead programs. Only one agency involved L/NNGOs in their country-level strategy while four designed their localization strategy with L/NNGOs.¹¹ Although UN Agencies generally excel in gathering partner feedback and providing important outlets for criticism like anonymous feedback channels, it is unclear how these mechanisms affect policy. They also appear to do a better job than most INGOs in communicating and highlighting the work of L/NNGOs, two practices that several respondents attributed to the relative security of UN Agency budgets and staffing when compared to more vulnerable INGOs.

When it comes to corruption, as with respondents across the board, UN Agencies were unable to point to any substantial, confirmed case of corruption or aid diversion by Ukrainian

¹¹ Six of seven UN Agencies were aware of the Alliance UA CSO and three of six operational agencies indicated that they were aware of having endorsed the Alliance’s strategy when it was presented to the HCT in August. Four out of seven agencies reported that they now have a localization point person whose primary task is to oversee the implementation of the strategy.

partners to date. “We have not seen anything grave or substantial,” said one UN staffer who nevertheless pointed to the need for continued, robust monitoring to ensure against “double dipping” by partners (where an organization claims remuneration from two funders for the same service provided) and salary duplication across different funders and for non-existent positions. Another explained that while there have been “a few limited instances of grant agreements where we could not fully confirm that they were delivering all of the aid and there was a return of funds, even in these cases the scale was very minor.” Importantly, all UN Agencies described having completed dozens of monitoring and evaluation reports, third-party monitoring programs and full audits over the last two and a half years, with more continually being processed as the response goes on. “There is a good level of coordination between UN Agencies about partners that we should not be working with,” such as those who have not demonstrated adequate proficiency in their tracking and reporting systems, explained one UN staffer. “Word travels fast in this community and partners talk between themselves and they share information and feedback with us. There is also a very strong whistle-blower culture here and a wide ability to check and maintain visibility. This has all been a good de-motivator for those in the sector who would want to commit fraud.”

INGOs – Key Findings:

- **Twelve out of 20 INGOs had no presence at all in Ukraine before the war**
- **L/NNGOs implemented 50% of activities but received 33% of INGO budgets**
- **Four INGOs said they are setting up an entity that could apply for funding as an L/NNGO**
- **Sixteen INGOs out of 20 do not have a formal ethical hiring and recruitment policy**
- **PSC/overhead and DoC are now allowed by nearly all INGOs but application is unclear**
- **Only six INGOs out of 20 report offering multi-year funding**
- **Eight INGOs reported that they do accept some form of due diligence passporting**
- **Half said that they consider their L/NNNGO partners to be strategic partners**
- **But only one said L/NNGOs were involved in designing their country-level strategy**
- **Questions and concerns about neutrality and impartiality seem to have receded since 2022**
- **No INGO reported substantial, confirmed cases of corruption amongst L/NNGO partners**

Thanks in part to encouragement by the Humanitarian NGO Platform in Ukraine, the participation by INGOs in the survey was particularly strong. The 20 INGOs who participated collectively accounted for 66% of all funding to INGOs in 2023 (\$715 million out of \$1.08 billion). Since the full-scale invasion in 2022, INGOs have received more than \$2.73 billion in funding tracked by FTS for humanitarian operations, although twelve out of 20 INGOs had no presence in 2021 in Ukraine.

INGOs further estimated that \$233 million – or 33% – of their funding in 2023 went to more than 450 L/NNGO partners and that L/NNGOs implemented on average 50% of all INGO activities in Ukraine. Eleven out of 20 INGOs reported that 100% of their funding was in the form of direct budget transfers rather than in-kind goods and equipment. Only five INGOs

expect a budget increase next year, whereas 12 expect an outright decrease and three expect their budgets to stay approximately the same. It appears unlikely, however, despite increased awareness of the need for and benefits from localization, that there will be an increase in the percentage of funding transferred to L/NNGOs in the near future. “We are getting pressure from donors to provide more budget support to our implementing Partners but there is, frankly, pressure internally to preserve more for ourselves given the specter of diminishing budgets,” admitted one INGO staffer. “The line [at our organization] is basically: Lets keep more for us since funding is decreasing.”

This perspective has deeper ramifications. Only four out of 20 INGOs currently have transition plans in place to scale down and hand over operations to Ukrainian organizations (as Oxfam [announced](#) this summer), although several indicated that such planning was either imminent or being strongly advocated for by country-level staff. Four out of 20 INGOs also acknowledged that their organization has created or is creating a Ukrainian office that could apply for funding as an L/NNGO even though decision-making power would reside at the HQ outside of Ukraine and so therefore it would not meet the IASC [definition](#) of a truly local organization.

Eighteen of 20 INGOs reported high levels of Ukrainian staff, with the average across respondents reaching almost 90% of total staff. But sixteen INGOs out of 20 do not have a formal ethical hiring and recruitment policy that would, for example, bar the employment of Ukrainian nationals employed by an INGO’s L/NNGO implementing partner. Several said there was effectively a “Gentleman’s Agreement” in place that their organization would not hire IP staff, but one noted that, “we have a 100-page HR manual minutely guiding hiring and recruitment but nothing in this regard is included until now.” Half of INGOs also report having secured full or partial funding for their representation in the clusters, with most such positions filled by Ukrainian representatives.

PSC/overhead is now allowed by all INGOs but it appears to be 1) granted in an inconsistent manner, including within organizations, 2) prone to being reduced or eliminated if program disruptions occur and 3) usually is dependent on whether a specific donor allows for the line item to be carried through to IPs. Most INGOs reported that they proactively encourage L/NNGOs to integrate PSC/overhead in their budgets and only one INGO said that they discriminate in the rate allowed between INGOs and L/NNGOs (few INGOs have other INGOs as IPs). Similarly, nineteen out of 20 INGOs say that they provide DoC support for L/NNGOs and most encourage L/NNGOs to raise DoC-related concerns and needs at the beginning of project negotiations. However, as with PSC/overhead, the extent and quality of DoC support remains uneven and unclear, with the benefits of both partially undermined by the continuing lack of MYF: only six INGOs out of 20 report offering MYF, although the majority – eleven – maintain partnerships that on average last more than a year. All expressed a desire to offer MYF but cite donor limitations as well as pressures from their own HQs.

Many INGOs lamented what their L/NNGO partners still have to go through in terms of vetting and reporting/monitoring requirements. “We may have a program with four to five donors and we are demanding four to five different contracts with our IPs,” “Even though we actually got a lot of flexibility in the donor contracts, we are still required by our HQ to [have] separate contracts and then [ask for] four to five separate monitoring reports.” Still,

eight INGOs reported that they now accept some form of due diligence passporting while twelve do not at all. Several INGOs outlined ambitious passporting and “red tape” reduction strategies, including one that accepts relevant documentation from any other INGO which a L/NNGO recently partnered with. “Yes, we also ask for the due diligence documents from the other INGO and we verify documents,” explained the INGO staffer. “And yes, we compare their requirements to our own but the result is that we have really shifted a lot of the burden onto our own partnership and compliance departments. Thankfully our HQ has been very encouraging of this which is absolutely crucial.” Another INGO was able to lighten due diligence by applying a form of the UHF’s “contextualized” approach which incorporates tiered due diligence (where lesser funding levels require less documentation and verification). One large network of INGOs allows for L/NNGOs to use due diligence they previously completed with any other member of the network, while another INGO accepts due diligence that recently passed for any L/NNGO that was a recipient of UHF funding.

In contrast to UN agencies, half of all INGOs said that they consider their L/NNNGO partners to be strategic partners rather than merely implementing or funding partners. Even though fifteen of 19 respondents said they actively involve L/NNGOs in the design of specific projects, only one said that L/NNGOs were involved in designing their country-level strategy as a whole. Most INGOs are also gathering feedback from L/NNGOs (three do not and one was not sure) but of the sixteen who do, only seven use anonymous questionnaires that are generally seen as crucial by L/NNGOs for safely lodging complaints.

When it comes to the visibility of L/NNGOs, 17 INGOs say that they publish information about their partners on their websites or social media. However, it appears as though the regularity and reach of co-promotion of local partners is more limited than for UN Agencies. “Ukrainian NGOs that we partner with always highlight their international partners. The reality is that this is not the case the other way around,” explained one INGO staffer. According to Dina Volynets, one of the lead co-authors of the Alliance UA CSO’s Localization Strategy, “all INGOs have visibility requirements. At the same time, not many LINGOs have visibility policies, as this is one of the important steps in organizational development. This creates situations where L/NNGOs, even though they are 100% implementors of the project, disappear from the communication or branding materials of the prime INGO partner.”

All INGO respondents were aware of the Alliance UA CSO and 17 out of 19 said that their organization either had already endorsed its localization strategy or were likely to do so in the future. Thirteen out of 20 organizations said they currently have a localization policy or roadmap in place for Ukraine specifically but only six INGOs reported that L/NNGOs had been involved in its formulation. Seven organizations further reported that they have a localization point person for Ukraine. Most of these INGOs include the role as a specific, dedicated line within the responsibilities of the partnership manager. One INGO staffer explained that when their organization’s global localization strategy was presented to their board, it was initially rejected. “They said to us: ‘You want to make us redundant!’... It took some modifications but, eventually, it was approved because there is no going back. We better actively engage in shaping localization in reality and practice rather than denying it.”

Questions and concerns about neutrality and impartiality seem to have receded since the first year of the response. Four of 20 INGOs indicated that they view the issue as something they continue to encounter. One INGO staffer worried, however, that, “we are not sure if the previous practices [of some L/NNGOs mixing aid for the military as well as civilians] have disappeared, or if some organizations have succeeded in separating such activities...or maybe we just aren’t asking much anymore and our partners aren’t informing us.”

Finally, out of the 17 INGOs that were able to answer the question, none reported substantial, confirmed cases of corruption amongst their L/NNGO partners despite numerous audits, spot checks, and monitoring and evaluation reports over the last two and a half years. One response common to most INGOs was provided by a country director at one of the largest INGOs operating in Ukraine: “We have done third-party audits on every donor program – including by major global audit firms. We have layered on top of that internal audits and completed dozens of spot checks and M&E reports. We have found nothing substantial or deliberate in terms of aid diversion.” One INGO staffer described an unfortunate case where aid diversion came up but was actually wrongly attributed to in-kind material that was destroyed as a result of Russian bombing of a L/NNGO warehouse. “The donor was unsympathetic in this case and refused to effectively cover the loss but we covered it internally for our partner,” explained the staffer. Another staffer at a large INGO said that he was convinced aid diversion was happening but that it just had not been uncovered yet, especially in the immediate area of the frontline where, he argued, monitoring was far less prevalent.

Clusters - Key Findings:

- **Inconsistent metrics across clusters hinder accurate analysis**
- **Five of seven clusters reported having more than 50% of L/NNGO cluster members**
- **Three clusters feel there are still not enough Ukrainian NGOs represented in the cluster**
- **Five reported that Ukrainian NGOs still do not fully participate in coordination meetings**
- **Four clusters reported challenges involving L/NNGOs in decision-making**
- **English is still the main communication language for all clusters**
- **L/NNGOs are better represented at sub-national level clusters**
- **Clusters are not tracking whether L/NNGOs are able to raise funds for their engagement**

Seven KIIs were conducted with representatives of Clusters and Working Groups (called clusters for short) at the national level in order to gather information about membership, decision-making mechanisms, and localization policies.¹² Three out of seven respondents either represent a Ukrainian organization that participates in cluster coordination or are Ukrainian citizens working for an INGO involved in cluster coordination. One key analytical limitation is the lack of consistency within the system about how to calculate the number of cluster members. For example, some clusters calculate the number of members based on

¹² There are currently nine humanitarian Clusters active in Ukraine, 3 Sub-Clusters and several Working Groups.

organizations that report their activities to the cluster. Others report the average number of organizations that participate in the meetings, are on mailing lists, or use cluster support. The variations make it difficult to accurately assess the extent and forms of L/NNGO involvement.

Five of seven clusters reported having more than 50% of L/NNGO cluster members, with some consisting up to 65% of L/NNGOs. INGOs constitute around 40% of cluster members on average, and the UN has approximately 6% of all members. At the same time, all clusters are overseen in their coordination by at least one UN agency that is responsible for coordination, cluster membership, strategy building, and decision-making. Six clusters reported that they have the same number or more Ukrainian members compared to the previous year and that the level of participation of L/NNGOs has improved compared to 2023. However, three out of seven cluster representatives said that they feel there are still not enough Ukrainian NGOs represented in the cluster and five reported that Ukrainian NGOs still do not fully participate in the coordination meetings and are rather “passive listeners” or “occasional speakers.”

Six out of seven clusters interviewed have managed to involve L/NNGOs in their decision-making or coordination mechanisms while five reported that Ukrainian organizations are in some way involved in strategy design. At the same time however, four cluster representatives reported challenges involving L/NNGOs in decision-making or strategic discussions. One reason for this may be that English is still the main communication language for all clusters even though five clusters now provide simultaneous translation during all cluster meetings.

Five representatives further indicated that both the representation and participation of Ukrainian NGOs within the cluster mechanisms is stronger at the sub-national level, with more L/NNGOs represented and actively participating in meetings in the east and south of the country than during national-level meetings in Kyiv. Cluster representatives assume this is because sub-national level meetings focus on operational topics that are more relevant to national NGOs and local organizations engage more in areas where they are based. In all cases, it supports the conclusion that the representation and participation of local organizations are stronger if the discussions are more in line with – and closer to – L/NNGO presence and priorities, in particular delivering assistance directly to their affected communities. Four of the seven clusters interviewed have national NGOs coordinating sub-national clusters and thematic sub-clusters and also include national NGOs in Strategic Advisory Groups. They report improving levels of participation of local actors in decision making and some of them leading on strategic discussions on topics of importance to them. Such clusters have translation and fundraising support; two-thirds of these clusters report having a global and national localization strategy and a localization focal point.

Most clusters – five out of seven – provide their national members with support with fundraising. Usually, this consists of trainings, support with UHF proposals, and providing letters of support or recommendations for international partners. However, three clusters reported that they believe L/NNGOs are unable to fundraise at all for cluster-specific positions. Also, no cluster appears to know how many of their L/NNGO members are actually successful in fundraising for coordination positions and, if they are, to what extent despite financial support being crucial for ensuring access and engagement by L/NNGOs.

Some of the best approaches by clusters that were most successful at engaging L/NNGOs include:

- Including national NGOs as co-coordinators;
- Providing translation during every meeting on both national and sub-national levels and always communicating in both Ukrainian and English;
- Ensuring funding for national NGOs to be able to sustain coordination-related positions (for example: one large INGO funds two national partners to be sub-cluster coordinators);
- Ensuring an adequate representation of national talent within all UN, INGOs, and L/NNGOs engaged in coordination (for example: there are 17 people in one cluster coordination group, 14 are Ukrainians, and only three are internationals);
- Continuing efforts to raise awareness and capacity strengthening “Ukrainian to Ukrainian”, meaning that the capacity strengthening is likely to be more effective when delivered by a local actor, who understands local approaches and needs; and
- Taking time for bilateral conversations, trust and relationship building with Ukrainian partners and changing the cluster’s approach from “coordinating” to “supporting” L/NNGOs.

L/NNGOs - Key Findings:

- **Seven out of 10 L/NNGOs found it was easier to engage in partnerships than in 2022**
- **Four said their organization has the opportunity to influence programs as equal partners**
- **Eight believe L/NNGOs have partial or no influence in designing humanitarian programs**
- **Six out of 10 participate in international coordinating bodies**
- **Half believe Ukrainian organizations are insufficiently represented however**
- **L/NNGOs criticize a lack of adaptability, especially regarding non-emergency fluctuations**
- **Contracts and contract negotiations with INGOs are often seen as problematic**
- **L/NNGOs are generally cut off from donors**

Ten interviews were conducted with Ukrainian humanitarian L/NNGOs operating across more than a dozen oblasts of Ukraine (six out ten reported working in the majority of oblasts). The main purpose of our inquiry was to identify some key problems and positive trends when it comes to relations between L/NNGOs and international actors.

Nine out of 10 L/NNGOs regularly submit projects to UN agencies and INGOs for support, varying from once a month to every quarter or six months while seven out of 10 organizations currently have contracts with UN agencies and all have contracts with international NGOs. Only two out of 10 organizations reported sometimes facing difficulties obtaining funding for specific projects, such as evacuations from conflict-affected areas. Projects that align with donor priorities are universally seen as more likely to succeed. Seven out of 10 organizations

found it was easier in 2023 than the previous year to engage in partnerships and gain support due to their increasingly well-established presence and accreditation with international actors.

Three out of 10 organizations feel as though they are implementing partners with limited program influence while three describe having little or no program influence at all. Four out of 10 say they have the opportunity to influence programs as equal partners. At the same time, eight out of 10 organizations believe that L/NNGOs have only partial or no influence over the creation of humanitarian programs. This perceived lack of strategic influence has further complicated efficient coordination between local and international responders, leading to the duplication of services and some areas receiving what is regarded as excessive humanitarian aid while other areas face a shortage of support. Several L/NNGOs highlighted that this has particularly been the case in Donetsk.

Six out of 10 L/NNGOs participate in international coordinating bodies. However, half of them believe Ukrainian organizations are insufficiently represented at internationally-led fora, including coordinating mechanisms. As one respondent put it: “The opinions of small Ukrainian NGOs are rarely acknowledged...[plus] the atmosphere within the clusters discourages open discussions about problems, as many are afraid to speak up.” Nine out of 10 organizations reported high coordination and cooperation with other L/NNGOs.

All L/NNGOs indicated that they feel supported by partners to some degree in case of unforeseen emergencies (e.g., Russian strikes on or near facilities, electricity outages, and sudden changes in staffing due to conscription) that lead to problems with program implementation. This is generally not seen as translating into swift program adaptability or adequately addressing non-emergency fluctuations like inflation, exchange rate shifts, or the periodic lack of inputs available at local markets. “We usually manage to convince the [partner] to make changes,” said one L/NNGO manager, “but it’s difficult. The discussions can take weeks, halting our progress, and they don’t fully understand our situation.” Several L/NNGOs also reported being penalized for failing to account for in-kind material that was damaged as a result of Russian strikes.

Although 12 INGOs out of 20 said they apply Ukrainian law in their contracts – four apply non-Ukrainian law – contracts and contract negotiations with INGOs are often problematic according to L/NNGOs and Ukrainian advocates. As a recent [Open Letter](#) from the National Network of Local Philanthropy Development noted, even if many INGOs employ Ukrainian courts and legislation should a dispute arise, the reality is that, “International partners draw up contracts and requirements in accordance with the laws of the country where their headquarters are based. As a result, local partners have to work according to the legal standards of both countries and are completely unprotected in case of complications in the project.” According to Volynets, “In most cases, decision-makers at INGOs don’t speak Ukrainian, and Ukrainians are not hired for decision-making positions, which makes negotiations challenging for L/NNGOs.”

Ukrainian NGO staff and leadership also overwhelmingly communicate only with their international partners and not with a donor for a specific project. This makes it difficult to independently assess the possibilities of changes to a given project – if deemed vital by a L/

NNGO – as well as to provide feedback directly to the donors. When discussing contracts and terms and conditions of cooperation at the stage of drafting a project proposal, L/NNGOs often communicate with INGO or UN Agency representatives who do not have sufficient knowledge or influence when it comes to donor requirements, donor flexibility and program decisions made at a country director or HQ level. Frequent staff changes on the part of international actors further mean that L/NNGOs routinely experience gaps in communication and, sometimes, related delays in program implementation.

Partnership problems go beyond communication gaps. Several L/NNGOs described difficulties with INGOs when uncertainty arises within an INGO team about project implementation even after the INGO had approved a grant for three months. A month or more may pass, but no information is provided by the person responsible for actually initiating the project. Meanwhile, the L/NNGO is left in the lurch, uncertain about when or if the project will move forward. One Ukrainian responder described a case where, in the context of a three-month project, the focal point was not identified by the INGO until the end of the first month, after which time the L/NNGO had only two months to complete the project.

Delayed payments from INGOs and UN agencies were also regularly cited by L/NNGOs as a major difficulty in implementing programs. For example, one Ukrainian NGO reported delays in payments from international donors, which resulted in the postponement of important IDP assistance projects. This affected the ability to provide timely housing and food to vulnerable populations. Another Ukrainian NGO noted that the delay of one payment tranche by more than four months, which negatively impacted evacuations.

In general, since INGOs and UN Agencies often focus on short-term projects of up to six months, L/NNGOs are forced to prioritize temporary measures despite the humanitarian and localization principles to build the capacity of communities and beneficiaries to manage crises independently. They also routinely find themselves unable to offer competitive, long-term contracts to specialists and staff, build professional teams, train staff and develop quality standards for service delivery. Furthermore, each new program period requires lengthy approval processes, sometimes including additional or updated due diligence, needs assessments and complex reporting requirements.

Recommendations

To Donors:

- **Amend policies and procedures to enable direct funding to flow to L/NNGOs.** Several donors surveyed pointed to national regulations that prevent the direct funding of L/NNGOs. DG ECHO, for example, has long maintained that it cannot provide funding to L/NNGOs in Ukraine because of an [EU Council regulation](#) that requires supported aid organizations to have “their main headquarters (HQ) in a Member State of the Community.” But the same regulation also says an HQ can be located “in the third countries in receipt of Community aid,” which applies to Ukraine.¹³
- **Increase¹⁴ support for the Ukraine Humanitarian Fund, contingent on the Fund re-balancing more of its grants towards Ukrainian L/NNGOs in new allocations.** Although the UHF has made important strides on localization over the last year and a half, it is [behind a number of other UN pooled funds](#) when it comes to channeling funds directly to L/NNGOs and still provided 52% of grants to INGOs. It is time to set the UHF on the path towards full nationalization, one which should be strongly supported by donors.
- **Invest in nationally-led Pooled Funds (PFs) and operational consortia led by Ukrainian L/NNGOs as Primes.** One of the [best ways](#) to rapidly shift funding and power to L/NNGOs is through [pooled funds](#) which allow multiple donors to reduce their risk exposure through the CBPF intermediary model. Although there are only a few examples of truly L/NNGO-led, humanitarian PFs globally, Ukrainian L/NNGOs are well-positioned to pilot the approach.¹⁵ Such pooled funds could incorporate trusted INGO partners as supportive auxiliaries and/or rely on existing donor L/NNGOs partners as anchors alongside other Ukrainian L/NNGOs. When it comes to large operational consortia, state donors should invest in L/NNGO-led consortia where INGOs serve as auxiliaries to local primes.
- **Enhance operational transparency and dialogue with Ukrainian NGOs – in Ukrainian – about funding, partners, and priorities.** There is little detailed information publicly available about which agencies and organizations donors fund in Ukraine, how partnerships with L/NNGOs are managed and what outcomes are actually achieved. There is also limited engagement with Ukrainian L/NNGOs relative to donors’ engagement with international partners. It is essential that donors regularly publish key status updates and engage in strategic dialogues in Ukrainian about upcoming funding priorities – before announcements are made – so that civil society actors and new potential Ukrainian partners can shape donor interventions.

¹³ To comply with the regulation, a Ukrainian L/NNGO would have to have a satellite office in an EU member state.

¹⁴ Although it has repeatedly stressed its support for CBPFs as a workaround for its funding restrictions, DG ECHO only provided \$2 million in funding to the UHF in 2023 and \$1 million in 2024 until October.

¹⁵ [Read](#) about the “Ukraine Local Pooled Fund,” which is co-hosted by START Network and the National Network for Local Philanthropy Development.

- **Mandate that international partners implement key localization reforms.** Such reforms should include at a minimum: 1) committing to [equitable partnership](#) and ethical hiring requirements, including those [approved](#) by the Ukraine Humanitarian Country Team (HCT) in 2023; 2) publicly reporting/tracking progress on both; 3) ensuring that wherever possible, UN agencies or INGOs that are implementing third-party monitoring or capacity strengthening programs partner with a L/NNGO in order to eventually transfer responsibility for the monitoring to the Ukrainian organization; and 4) ensuring that adequate PSC/overhead and Duty of Care support are provided to L/NNGO partners.¹⁶
- **Urge the UN-led HCT, the UHF, and the Cluster System to significantly expand Ukrainian representation and leadership at all of their decision-making tables and to provide support for their involvement.** As USAID recently noted, “Local leaders and organizations can offer the diverse perspectives and community knowledge needed to improve the effectiveness of these fora in meeting the unique needs of different groups and to better understand community-supported mechanisms that can contribute to more resilient response solutions.” Financially supporting L/NNGO cluster roles and ensuring translation into Ukrainian are [crucial for ensuring access and engagement](#) but so is supporting [existing](#) Ukrainian structures of humanitarian coordination which are much more likely to endure should international actors reduce their presence in the country.
- **Ensure that the HCT implements and monitors the Alliance’s Localization Strategy.** [The Alliance of Ukrainian CSOs](#) is the main Ukrainian-led coalition of Civil Society Organizations focused on ensuring local leadership in responding to humanitarian crises and setting the foundation for recovery in Ukraine. Their [Strategy](#) and [Operational Plan](#) for 2024-2025 contain key reforms that, if implemented and monitored, would significantly shift power and resources to L/NNGOs while better serving Ukrainians in need.

To UN Agencies, Clusters & INGOS:

- **Increase reporting and sharing of relevant data.** The NGO Platform’s recent [proposal](#) to create an open data reporting portal for its INGO and L/NNGO members will not be sufficient since UN Agencies (or non-members) that drive the majority of the response will not be included. OCHA should improve the collection and reporting of relevant data across the internationally-financed response via FTS in Ukraine and should work with the Ukrainian L/NNGOs and public authorities to make sure that they understand and can independently monitor the international architecture that has been built out in their country.
- **Pilot more multi-year funding for L/NNGOs in Ukraine in 2025 and expand due diligence passporting.** The UHF, for example, receives almost 33% of their contributions as multi-year grants but the annualized nature of the [Humanitarian Needs and Response Plan](#) (HNRP) overseen by the Humanitarian Coordinator is cited as an impediment to giving

¹⁶ The [Collective Monitoring and Accountability Framework](#) as well as the [IASC Guidance on Strengthening Participation, Representation and Leadership of Local and National Actors](#) are two of several respected mechanisms that donors can use to ensure that funding partners are in fact complying with localization reforms.

Ukrainian L/NGOs multi-year funding. The next Ukraine HNRP, however, has the ability to change this, especially since OCHA is considering providing multi-year funding for pooled fund grants globally. When it comes to the longstanding request by L/NNGOs to ease application procedures between international actors, a minority of INGOs and half of UN agencies surveyed now report success in doing so. These examples should be shared, joined by other organizations and agencies and expanded accordingly.

- **Implement and monitor Ethical Recruitment Guidelines.** Human Resources/recruiting managers should be engaged across all international actors by the HCT, the NGO Platform and the Alliance in order to better promote the already approved [guidelines](#) and hold organizations and agencies to account.
- **Increase Ukrainian representation at the HCT and the UHF board and expand Ukrainian leadership across programs.** Both the HCT and UHF have made [progress](#) in integrating L/NNGOs into their decision-making platforms since 2022. However, both need to move to a representation model that is more reflective of Ukrainian responders (the UHF employed such a model in their [recent board elections](#)) and where L/NNGOs are in the majority rather than at parity. INGOs and UN Agencies have also increased the participation, feedback and involvement of L/NNGOs in the design and management of programs but there is still significant room for improvement. Translation support at many coordination fora is also still lacking or insufficiently supported while L/NNGOs find little or no financial support for their engagement, two gaps which should be immediately addressed by UN Agencies.
- **Speed up and expand an Area Based Coordination (ABC) approach.** This would center aid coordination where Ukrainians are already coordinating and where people in need are receiving most aid. While the [piloting of ABC](#) in two oblasts this Fall represents a welcome step, OCHA and its partners should move faster in rolling out ABC in all frontline areas in 2025, making sure to provide adequate support for L/NNGOs to lead and benefit from such coordination.

To L/NNGOs:

- **Continue to build out coordination, partnerships and anti-corruption systems.** L/NNGOs must continue to build out Ukrainian coordination mechanisms, solidarity networks, and operational partnerships that can produce aid economies of scale and take over as international actors reduce their role. Ukrainian humanitarian actors also need to continue to build out robust oversight mechanisms to prevent corruption in the sector that would undermine support for localization.
- **Ukrainians must take the lead in producing relevant research and monitoring the response as a whole.** Since 2022, international data analysis and consulting companies, alongside INGOs and UN Agencies, have produced most reporting on the internationally-led response, especially in English. Given the important role that knowledge production plays in shifting power, Ukrainian L/NNGOs and companies must take the lead on such reporting, with donors prioritizing Ukrainian-led analysis and monitoring.

- **Ensure that smaller LNGOs have a seat at the table.** As the Ukrainian NGO Resource Center (NGORC) put it recently, “The strength of Ukrainian civil society lies in its diversity, and humanitarian stakeholders should avoid contributing to oligopoly in the sector, where few have too much and many have too little to respond to humanitarian needs **effectively**.” The Alliance UA CSO should deepen, diversify and expand its membership base, especially among smaller LNGOs based outside of Kyiv as well as LNGOs representing marginalized communities, and ensure that large NNGOs don’t monopolize leadership positions.

Conclusion

Ukrainian responders appear to be increasingly frustrated as localization reforms remain largely unrealized, despite signed global commitments and international humanitarian organizations and donors being fully aware of the urgent need for change. For some of the L/NNGOs who have managed to become direct grantees over the past year and a half, this frustration is compounded by an awareness of the substantial improvements that come with being a “prime.” “It was like night and day,” said one leading L/NNGO representative. Even after completing the heavy vetting requirements, the reporting requirements “were much lighter than we imagined they would be. We [also] now have much more flexibility with the [state] donor when unexpected events come up that mean we have to adjust our project... And the overhead and overall budget support were significantly more than we ever experienced with a UN Agency or an INGO.”

Unfortunately, despite all the increased awareness of the benefits of localization – from both an efficiency and effectiveness standpoint – as well as the strong anti-corruption record of L/NNGOs in Ukraine, the potentially steep aid cuts that seem likely to start unfolding next year may mean that an oppositional dynamic develops between UN agencies, INGOs, and L/NNGOs alongside cascading shocks to the internationally-led response architecture. There is still time, however, to prevent the former from defining the response while softening the impact on Ukrainians in need. But it will take bold, immediate, and coordinated action from all actors involved – along the lines of the recommendations above – as well as a heavy mark down in self-interest. “The question, if we are really serious about localization,” acknowledged one INGO Country Director, “is whether we can and will shift our operating models in favor of national and local responders, which means a reduction in our budgets. Can we become a sub for a strong [L/NNGO] partner in Ukraine rather than the other way around? This is a part of our strategic development. It’s a part of our global ambition, but I am just not sure if we are really prepared to live with the consequences.”

