Localizing the International Humanitarian Response in Ukraine

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Cover Photo Caption: Neighbors take humanitarian aid in Bakhmut, Ukraine on August 03, 2022. Photo by Diego Herrera Carcedo/Anadolu Agency via Getty Images.
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Summary and Recommendations

Ukraine’s government and civil society have managed an impressive humanitarian response to the displacement and destruction ongoing since Russia invaded the country in February 2022. Without much early help from international actors, most of whom were slow to mobilize or scale up their presence in the country, local and largely volunteer-driven efforts served as the backbone of the initial relief operation. But these efforts can no longer sustain themselves without external resources.

Thankfully, donors have rapidly stepped up, committing more than $12 billion to help meet Ukraine’s humanitarian needs in the last six months—a record amount of time. That funding, however, is almost all going to the United Nations and international non-governmental organizations (INGOs). International aid agencies then largely pass resources on to Ukrainian organizations that are overwhelmingly the ones delivering aid to beneficiaries. But this creates a circuitous and costly process that often results in delays and complications for both national NGOs and the people they aim to serve.

Most importantly, this internationalization undermines Ukrainian organizations’ leadership and ownership of the response. It runs counter to commitments the aid community has made—most notably in the Grand Bargain, which commits donors and aid organizations to provide 25 percent of global humanitarian funding to local actors—to center and empower local actors in the humanitarian system. Instead, an international aid economy is fast emerging in which foreign humanitarian actors are empowered while Ukrainian organizations serve as partners or sub-grantees attached to the budgets and strategic decision-making of INGOs and UN agencies.

Moreover, the flood of funding to international organizations is increasingly diverting human capital from Ukraine’s own civil society, private sector, and government—much as it has in other emergencies. At the same time, it is drawing significant human resources from INGO operations elsewhere in the world, arguably hindering those responses in countries where the needs are no less urgent. A proposed exemption from military conscription for staff of humanitarian agencies as currently drafted could further privilege international organizations over local entities.

Given the strength of the public, private, and civil society sectors, the Ukraine context clearly illustrates the dangers and missed opportunities of building parallel aid structures that disempower local, democratically oriented governance structures. It is therefore no surprise that a backlash seems to be building against the internationalization of the humanitarian response. Ukrainian and even some international actors warn that undermining local capacity could prove particularly debilitating as the war grinds on and in its wake. As the focus shifts to reconstruction and re-integrating people who were displaced, and as international actors inevitably withdraw at some point, Ukraine must be able to rely on its domestic capacity. To ensure that it can, several steps should be taken as soon as possible:

- Donors, INGOs, and UN agencies should move beyond aspirational objectives to concrete planning for a localization strategy. This strategy should set out specific targets and benchmarks to steadily move the ownership of funding and programs from international to local entities. The strategy should include short-term targets with a view to shift the current trajectory of funds in the next 6-12 months towards local entities and to engage more local entities as the majority stakeholders in coordination mechanisms like the Humanitarian Country Team.
• **Donors, INGOs, and UN agencies should set targets for localization in Ukraine that exceed the aim of the Grand Bargain.** As part of a new localization strategy for Ukraine, donors should seize the opportunity afforded by the relatively high degree of development and institutional capacity in the country to stake out more ambitious medium- and long-term targets.

• **Donors should expand the use of the UN Ukraine Humanitarian Fund (UHF) to channel resources to local organizations.** Despite its slow progress on localization since the February invasion, the UN’s $200 million pooled humanitarian fund for Ukraine is well-placed organizationally to rapidly execute a shift towards funding local relief groups. The UHF has operated in the country for years. In 2021, the fund succeeded in channeling 50 percent of its money to local organizations.

• **Donors should demonstrate flexibility and adjust their risk tolerance to empower Ukrainian civil society and volunteer networks.** Donors maintain rigorous requirements and systems for implementing partners, which are designed to ensure accountability and effective aid delivery. But donors will need to accept more risk to accelerate localization. For example, Ukraine offers the U.S. Agency for International Development (USAID) an important opportunity to carry out its recent commitment to accept a high level of risk to shift ownership, authority, and responsibility to local groups across the globe. For the EU, this would mean allowing its main aid agency, the Directorate General for European Civil Protection and Humanitarian Aid Operations (ECHO), to relax its restriction on funding non-EU-based organizations to allow Ukrainian NGOs to directly apply for funding. This would require a legislative change but, as Ukraine is now an EU candidate country it would seem, politically at least, a quite reasonable step.

• **Donors should invest in capacity building for local actors receptive to technical assistance.** A top priority would be to build the skills and capacities required for donors to make Ukrainian NGOs direct grantees rather than sub-grantees. International NGOs and foreign experts with a long history of navigating complex aid regimes could play an important role in this effort. This is particularly true for those INGOs that have already having built and managed donor-funded projects in Ukraine.

• **Donors should support local consortia led by well-established, national NGOs.** These consortia could serve as vehicles for distributing funds to smaller Ukrainian NGOs and volunteer networks. Here as well, INGOs could provide technical support to ensure that the local consortia have the capacity to meet donor requirements. By going directly to Ukrainian organizations, donors can save money and then use those savings to spread existing humanitarian funding over a longer timeframe.

• **As has long been called for by supporters of the Grand Bargain, donors should ensure fairness in covering the overhead costs and security expenses of local partners.** This would mean mandating that international actors who partner with local entities apply an adequate, if not equal, overhead percentage and security budget for the local entity as they do for themselves. This would ensure that Ukrainian organizations can better cover their own core operational costs while protecting their staff and operations as well as international actors do.
• **Donors should invest in anticorruption systems embedded inside Ukrainian organizations.** Rather than build parallel systems to exert more international control over aid and avoid the potential costs of corruption, donors should invest in embedding more anti-corruption systems within Ukrainian governmental bodies and NGOs. This could also entail a wider engagement with local anti-corruption organizations – some of which already have a deep experience in the fight against corruption. These efforts should enable the Ukrainian government and Ukrainian NGOs to strengthen their management of the country’s social protection mechanisms.

• **Donors and aid agencies should strengthen support for Ukrainian organizations willing to separate humanitarian operations from the military effort.** Donors should fund specific interventions to help Ukrainian organizations who wish to act as principled humanitarian actors separate their humanitarian assistance from support for the military effort. In all cases though, more direct donor funding to Ukrainian entities will inevitably lessen the corrosive impact of aid mixing with which many INGOs and UN agencies are currently grappling.

### Methodology

From June 3 through July 28, 2022, a Refugees International [consultant](#) visited humanitarian operations in several key [Oblasts](#) across Ukraine, specifically Kyiv, Lviv, Zaporizhzhia, Dnipro, and Odessa, in order to better understand the humanitarian response inside the country to Russia’s February 2022 invasion. As such, the report that follows complements Refugees International’s [reporting](#) on the response to forced displacement from Ukraine in neighboring countries, including Poland, Romania, and Moldova. It is based on more than 60 interviews with humanitarian actors working for the Ukrainian government, donor governments, UN agencies, international non-governmental organizations (INGOs), national NGOs, and volunteer networks, as well as visits to more than two dozen humanitarian aid delivery points serving Ukrainian citizens affected by the ongoing hostilities.

Refugees International’s findings add to the work of several [individuals](#) and [organizations](#) (most notably, Humanitarian Outcomes, ACAPS, Caritas Ukraine and others) that, since at least May 2022, have been warning about a major shortcoming when it comes to the significant international aid now flowing to Ukraine: the failure to swiftly and adequately localize the humanitarian response.

It should be added that these findings are limited to those areas controlled by the Ukrainian government. Russian occupied areas or those areas seized by their proxies since 2014 present a series of additional complications and considerations that require an investigation in its own right when it comes to the best way for humanitarians in general to respond.

### The Humanitarian Response in Ukraine

In the face of Russia’s full-scale invasion of Ukraine on February 24, 2022, the Ukrainian state and civil society have surpassed expectations, mobilizing a military resistance and large-scale humanitarian response to ongoing violence and destruction. From the start, [thousands of spon-](#)
Taneous volunteer networks sprang into action, often working with well-established Ukrainian NGOs and government authorities. Charitable contributions from Ukrainians at home and abroad poured into these efforts, bolstered by an influx of private donations from around the world. After some delay, resources also began to flow from UN agencies and INGOs that had largely suspended operations immediately after the February 24 invasion. Together, Ukrainians have housed and fed millions of their fellow citizens who were displaced by the fighting to relatively safer regions of the country.

Six months on, however, concern about the next stage of the humanitarian response in Ukraine is growing over at least three interrelated points. First, it is increasingly difficult for the mainly charitable, volunteer efforts that have led the response thus far to sustain themselves. They lack the financial resources necessary to cover a range of operational and programmatic costs, including monthly electricity bills and rent for the hundreds of thousands of temporary housing arrangements and facilities built across the country to house internally displaced people (IDPs). They also need substantial investments to prepare for the harsh Ukrainian winter. Schools need to reopen and, in some cases, to accommodate large numbers of displaced children, while adults need to find jobs in unfamiliar areas and in the midst of a cratering economy. Even after the war ends, the work of these organizations will remain critical as they aim to support returning IDPs and refugees to re-integrate in their communities.

Humanitarian Data Points

According to UN OCHA, as of the beginning of September 2022, there are:

- 6.9 million internally displaced people in Ukraine;
- 7 million refugees in European countries;
- 17.7 million people in need of protection assistance and services inside Ukraine;
- 14.5 million people in Ukraine estimated to need health assistance;
- 11.2 million people in need of shelter assistance and support;
- 1.7 million people in need of assistance ahead of winter;
- 13 million people in Ukraine in need of water, sanitation, and hygiene assistance;
- 5.7 million school-aged children affected since the start of the war, including 3.6 million due to the closure of educational institutions;
- Nearly 2,400 education facilities damaged and about 270 completely destroyed across Ukraine.

Additionally, the Human Rights Monitoring Mission in Ukraine (HRMMU) verified, as of August 28, 2022, there are at least 13,718 civilian casualties across Ukraine since the war began – 5,663 people killed and 8,055 injured. Among those were 2,195 men, 1,512 women, 149 girls, and 178 boys – and among the injured were 1,652 men, 1,222 women, 239 boys, and 177 girls. Most civilian casualties have continued to be recorded and verified in the eastern Donetska and Luhanska oblasts – a total of 7,735 casualties, including 3,358 people killed and 4,377 injured.
The international community has pledged a large amount of funds in an incredibly short amount of time to help Ukraine sustain its humanitarian response and recovery effort. The UN’s main funding appeal, as but one example, has collected all of its original $2.25 billion request—a rare occurrence. The United States alone has committed more than $9.2 billion towards humanitarian assistance efforts, while Germany, the second largest state donor for such assistance after the United States, has committed more than €750 million. As of late July 2022, the European Union (EU) had allocated more than €700 million worth of assistance for specifically humanitarian projects (financial assistance totaling €335 million and in-kind assistance with a value of €400 million). The EU has also pledged billions more in direct budget support for the Ukrainian government as well as several billion euros for Moldova and Member States who are accommodating displaced Ukrainians. In total, more than $12 billion is steadily making its way from abroad to help Ukrainian citizens inside the country, all of whom have been and continue to be adversely affected in some measure by this war.

But with the flood of donations has come increasingly pronounced criticism on a second point: donor countries are channeling almost all of the money they have pledged for non-governmental, humanitarian programs to UN agencies and INGOs. Such privileging of international organizations over the local NGOs and volunteer networks, which have been the backbone of the widely lauded aid response, has been a longstanding concern among humanitarian actors globally.

Indeed, neither the U.S. government nor the EU has provided any funding directly to local Ukrainian NGOs working in the humanitarian sector. Germany and most other major donor nations have followed a similar course, with funding overwhelmingly flowing to UN agencies, INGOs, and in some cases, Ukrainian state entities. Even the Ukraine Humanitarian Fund (UHF), the main UN pooled fund meant specifically for both INGOs and local NGOs to access financing, is only marginally better: of $91 million disbursed since February 2022, less than a quarter of the funds have gone to Ukrainian NGOs.

Of course, substantial foreign support is increasingly flowing indirectly to Ukrainian organizations. UN agencies and INGOs have developed hundreds of partnerships with Ukrainian NGOs and civil society, as well as Ukrainian private sector contractors. These Ukrainian partners then take the frontline risks and deliver nearly all the support to their fellow citizens. However, for many of the Ukrainian organizations capable of partnering up—a limited subset of all those involved in the response—the process has been painfully slow, given the bureaucracies and requirements of the INGOs and donors who fund them.

A third related trend also seems to be taking root. As large amounts of donor funding move into the coffers of the UN and INGOs, these international agencies are supersizing their own budgets and staff. Dozens of INGOs have gone from zero or minimal presence in Ukraine to multi-million-dollar operations since February 24. The result is the rise of an “aid economy” in which funding and decision-making power are concentrated in the hands of foreign humanitarian actors—some of them relatively new to the country. For their part, Ukrainian organizations must increasingly turn to these agencies for resources where they then serve in a secondary role as “implementing partners” or “sub-grantees.”

In fact, even at the main forum designed to bring the UN, INGOs, and local NGOs together in Ukraine—the Humanitarian Country Team (HCT)—only two of the 19 representatives are from Ukrainian organizations.
It is this reversal of agency and ownership that has led several Ukrainian and international experts to sound the alarm. “Donors should hold international agencies accountable for demonstrable outcomes in terms of strengthened local leadership, such as on supporting local NGOs to transition from being sub-grantees to lead grantees on funding from the UN and other donors,” declared one open letter from dozens of Ukrainian and international organizations issued in early July 2022. “Local actors do not want rhetorical statements or acknowledgment of their role, they want practical and ambitious action to support what they are doing [emphasis added].”

Unfortunately, as a report from the UK-based research firm Humanitarian Outcomes put it in early June 2022, “even aspirational objectives and benchmarks for ‘localization,’ have been absent from international response plans.” This state of affairs has marginally improved in July and August as the criticism has grown, with the HCT finally holding a discussion about localization, the UHF initiating a public outreach campaign to encourage more local NGOs to apply for funds directly, and one large UN agency, the World Food Program, internally discussing a staged handover to Ukrainian entities.

**The Costs of Internationalizing the Humanitarian Response**

Such efforts to advance localization are too few and, in some ways, too late—the well-known negative effects of internationalizing humanitarian responses appear to be deepening as more and more money flows into Ukraine.

One of the most pronounced effects is the diversion of human capital. Some of the most talented Ukrainians now find themselves in the middle of a scramble by international organizations to recruit personnel in-country. That effort, according to multiple interviews with UN, INGO, and national NGO staff, is steadily pulling talent away from vital government agencies and the Ukrainian NGOs and networks that responded so capably, funneling them to UN agencies and foreign organizations, many of which only recently arrived. Over time, possibly thousands of such Ukrainians will find it understandably hard to resist the lure of relatively high salaries, benefits, and the prospects of substantial career advancement at international organizations. Although the employment boost is positive in itself, of course, the essential problem as seen in so many other contexts is that the stripping of talent from local entities weakens indigenous institutional capabilities over time, exposing a country to further dangers when or if international support dries up.

This trend could be accelerated if INGOs and national NGOs are successful in their push to exempt Ukrainians working in the relief sector from military service. Since the imposition of martial law in late February 2022, the government has banned all men aged 18-60 from leaving the country and mandated that they report for duty at a military recruitment office. On its face, exempting aid workers from the possibility of military deployment might seem logical, given the significant humanitarian needs in the country. Indeed, UN agencies have already secured an exception for their staff. However, a draft policy currently under consideration would likely disproportionately benefit INGOs, as it establishes various eligibility requirements that they are far better positioned than Ukrainian NGOs to meet (a risk acknowledged by INGO advocates in recent communications with the new UN Humanitarian Coordinator, Denise Brown). For example, for an organization’s staff to be exempt, it would have to receive funding from an international donor that has a formal agreement with the Ukrainian government. Such conditions can be onerous...
for smaller organizations to fulfill or even impossible for those ineligible for foreign government funding. Should this specific proposal go forward then, UN agencies and INGOs would have yet another competitive advantage over local organizations in recruiting humanitarian staff, leading to further, politically fraught distortions in the local labor market and humanitarian ecosystem.

A second negative effect of internationalizing the humanitarian response is the privileging of certain local organizations based on their ability to meet foreign standards. International aid agencies with overflowing budgets are jostling to sign partnership agreements with Ukrainian organizations that can then actually deliver services. The result has been what one INGO country director described as a “Wild West” of partnerships. As he explained further, some well-positioned Ukrainian organizations are engaging in multiple agreements—even if they are unlikely to fulfill them all. Sometimes these local groups even suddenly upend previous partnership agreements to take a more lucrative offer.

Crucially, the problem appears not to be a lack of diversity or capacity on the part of Ukrainian organizations, but rather the empowerment of international actors as the arbiters of partnerships. As another INGO country director put it, “Ukrainians have demonstrated an incredibly high capacity for actually helping their fellow citizens and have a large pool of organizations that can implement programs or be trained and equipped to do so. They also have developed extensive, organic pathways for communication and coordination. Few, however, possess the abilities, linguistically or operationally, that international organizations prefer and often demand when looking for immediate ‘implementing partners.’” The quite predictable outcomes are bottlenecks, delays, and path dependencies around a limited number of Ukrainian NGOs. Meanwhile, local organizations that are equally or even possibly more capable of delivering aid but lack certain resources, capacity, or visibility, are excluded from the system.

The inefficiency of cash assistance programs for Ukrainians in need of humanitarian assistance provides a third example of how internationalization can disrupt a humanitarian response. As Humanitarian Outcomes noted in its June 2022 report, there are multiple, foreign-administered cash assistance programs in Ukraine using several verification platforms. Thankfully, these multiple efforts do not appear to have led to the misdirection of cash or the duplication of benefits. International humanitarian actors have been coordinating and harmonizing their efforts relatively well amongst themselves and with the government systems.

However, two problems have emerged. First, for reasons described above, many local organizations have simply been unable to access the funds set up by outside donors for cash assistance programs, leaving only a handful to become “sub-recipients” for the INGOs managing the programs. This in turn has very likely slowed down the process of getting cash to more Ukrainians in need since local organizations and networks are far better placed to reach more people and especially marginalized communities. They are more widely present, versatile, and organically rooted across the country than even the handful of INGOs who were operating in Ukraine before February 24, mostly in the East, and which have had to build-out staff, systems, and partnerships for processing beneficiaries.

The second problem is a systemic one concerning the global humanitarian regime itself. International aid agencies have long wrestled with the conundrum of how to launch a major humanitarian response without building a parallel system of service delivery that could undermine the development of democratically accountable, state-led safety nets. The Ukrainian context brings this challenge into sharp relief. To the great surprise of some of the international actors that “surged”
into the country without a deep understanding of the context, Ukraine has a strong state present at multiple levels and a relatively robust social safety net—capacities it has maintained even in the midst of war. By also pushing hundreds of millions of dollars in cash assistance through perhaps a dozen or more INGOs and UN agencies rather than exclusively through the government, donors are indeed creating unelected, parallel structures. This has continued half a year into the response, well after international actors had become aware of Ukraine’s own capacities.

Donors often point to concern over public sector corruption to justify building a relief architecture separate from the Ukrainian government. However, working with the government to develop its humanitarian capacity could in fact be an opportunity for donors to address these real concerns. Circumventing government structures would instead simply allow corruption to continue to fester, unchecked. If accompanied by effective mechanisms for monitoring and reporting, channeling more funds directly to government safety net programs could actually improve transparency and accountability in the Ukrainian public sector. In this way, donors could address corruption head-on while also building out state capacities that will be absolutely vital for sustaining social protections over the long term.

Funneling more funds directly to Ukrainian entities for them to further build out their own abilities, whether at the level of the state or society, should be a winning argument for taxpayers and politicians in donor countries. After all, using INGOs and UN agencies as conduits to fund thousands of local implementing partners or create parallel state-like systems is creating a layer of comparatively expensive overhead and additional costs that would presumably be unnecessary if directly funding government agencies or Ukrainian NGOs. Donors could even support consortia of well-established, national NGOs, supported in the interim with the technical assistance of INGOs, who might then directly distribute funds to smaller Ukrainian NGOs and volunteer networks. The associated cost reductions could help spread existing humanitarian funding over a longer timeframe while providing the basis for more justifiable, rightsized budget requests in the future.

In all cases, more direct donor funding to Ukraine’s civil society and public sector would help mitigate discomfort amongst some Ukrainian NGOs and government leaders who are privately complaining about the slow pace of INGO and UN agency roll-outs while questioning why foreigners are needed in the first place. In interviews with Refugees International, these stakeholders point out that Ukrainians were the ones who first responded. They did so effectively and they remain the ones, overwhelmingly, putting themselves at risk in delivering aid to the frontlines. This, they argue, merits having full ownership and decision-making control over the future of humanitarian aid in their own country. Although still at an early stage, these views nevertheless appear to be growing, with the possibility at some point that the government may use its sovereign power to restrict international aid activities, as has happened in numerous other contexts, or demand that more humanitarian funds flow in the direction of government programs or Ukrainian organizations. Such a rupture, or a lesser souring of relations, would surely be detrimental to Ukrainians in need as well as to the prospects of an enduring partnership between donor states and Ukraine.

**Complicating Factors for Localization**

Despite all of these concerns and criticism over the lack of meaningful localization, international actors offer several reasons why the status quo international model has taken hold and persists. These should be taken into account by everyone who wants to improve the humanitarian response going forward. First, most INGOs and UN agencies were simply unprepared for the
Ukrainian context. Many came from operating in countries without a strong state, highly developed private sector, and robust civil society—as Ukraine has—and brought their assumptions about how to work with them. As one UN official in Dnipro put it, “we never really dealt with a situation like this in terms of local and national capacities. We’re used to operating in a failed state, after all!”

Several months in, international actors do seem to have begun correcting for these misperceptions, including by relying heavily on local partners, procuring more supplies locally, and reconsidering the types of aid they typically provide around the world. For example, the Ukrainian government’s important commitment to accommodating displaced people in collective centers with better standards of living and access to services—rather than in ad hoc camps—demands different kinds of assistance from humanitarian organizations used to working in tented settlements. Staff at several of the largest INGOs now operating in the country told Refugees International that they were able to make a compelling case to their HQs for approaching the Ukraine context differently and that these arguments, to their surprise, actually elicited a better-suited response overall from their organizations’ leadership, donors, and some UN agencies in a record-setting amount of time—agility that enabled aid to reach more Ukrainians at a faster rate than it typically would.

Most importantly though, outside humanitarian funding comes from donor states like the EU and the United States whose agencies and processes have long been ill-equipped, politically disinclined, and often legally prevented from directly funding Ukrainian organizations. This reality, above all else, has restricted how donors could fund and carry out the response and, INGO representatives roundly note, essentially mandated the intercession of INGOs and UN agencies in order for aid to flow. Donors, it has become clear, would not—and likely could not—swiftly change such entrenched policies, a point reinforced by one director of a major European aid program, even as they watched Ukrainians respond so impressively. Rather than swiftly try to re-work their often overly complicated processes or advocate for systemic and legal changes with their own governments, donor agencies were limited to simply replicating what they have done time and again.

But barriers to localization are not, of course, only rooted in these structural, externally imposed factors. Although Ukrainian NGOs and volunteer networks are generally perceived to have delivered a relatively high standard of humanitarian aid, including in addressing protection concerns for vulnerable populations, some of the vital principles and internationally recognized good practices that characterize humanitarian work are likely missing or deficient in the work carried out by some local actors. Absent a comprehensive survey of local humanitarian efforts, it is difficult to understand the exact contours of the problem. But some examples provide possible insight. Specifically, several INGOs, UN agencies, and Ukrainian organizations told Refugees International that some local groups either intentionally lacked accountability and transparency mechanisms, which they deemed too burdensome, or were simply unfamiliar with them. This has, understandably, raised concerns about aid diversion and corruption and bolstered the case that international organizations—which have a long, albeit quite uneven history of implementing such controls—are best placed to manage the large influx of funds into Ukraine.

More worryingly, though, is the broad consensus shared by both foreigners and Ukrainians working on the humanitarian response that a high degree of mixing is occurring between civilian beneficiaries of humanitarian aid and military beneficiaries. As the INGO Nonviolent Peaceforce
put it flatly in May 2022, echoing multiple such observations by Humanitarian Outcomes and others throughout the summer:

“Many of the volunteers, collective centres, and organisations active in the humanitarian response in Ukraine are simultaneously providing support for armed Ukrainian actors, including the military and territorial defence units.”

This violation of the core humanitarian principle of neutrality is—like the use of accountability and transparency mechanisms—difficult to quantify because of the sensitive nature of the subject and the widespread perception that the Ukrainian government has effectively decreed a combined civil-military response through the invocation of Martial Law. Indeed, as a result and perhaps unsurprisingly, some Ukrainian NGOs Refugees International spoke with, including several implementing partners for INGOs and UN agencies, declared flatly that they will in all cases continue to assist soldiers as well as non-combatants. For example, in several locally run shelters in the Dnipro Oblast, all of which are supported in some way by INGOs or UN agencies, beneficiaries were “encouraged” to sew camouflage nets in the basement for use by the military. According to representatives of several of the largest INGOs and UN agencies, such practices are not uncommon. In fact, it is generally assumed that some aid delivered by local partners, especially to frontline areas, regularly benefits Ukrainian military personnel—although precisely how much remains impossible to determine.

Despite these important concerns, nearly all international staff Refugees International spoke with said that localization can and should still happen—and the sooner the better. “If there is one country to implement the Grand Bargain in,” said a top UN official in Kyiv, “it is here.”

The Right Way to Reverse Course

In order to encourage local ownership in the quickest and most effective manner, donors, UN agencies, and INGOs should urgently consider several steps. First, all concerned actors should publicly acknowledge that it is high time to move beyond discussions and “aspirational objectives” to concrete planning for localization. This would mean developing a strategy with specific targets and benchmarks to steadily move the ownership of funding and programs from international actors to local entities. However, it is also vital to immediately put in place short-term targets, with a view toward shifting the current trajectory of funds in the next 6-12 months towards local entities and engaging more of them as the majority stakeholders in coordination mechanisms like the HCT.

One opportunity for accelerating such short-term funding shifts would be a greater use of the UN’s $200 million UHF to channel funding directly to Ukrainian organizations. Despite its slow progress on localization since the February invasion, the UHF is well-placed organizationally to start rapidly executing such a shift, having operated in the country for years and having succeeded in giving 50 percent of funds to local organizations in 2021.

Second, donors and international actors should recognize that providing just 25 percent of humanitarian funding to local actors—as is the target set by the Grand Bargain—is wholly insufficient in the Ukraine context (as it may well be in many others). Given the high degree of public and private development and capacity there, medium and long-term targets should significantly increase
that overall target with an emphasis on moving more aid to robustly monitored government social support programs covering the whole country.

Third, since donors hold the multi-billion-dollar purse strings, they will have to lead on localization by re-configuring their own approaches. For the EU, this could mean allowing its main aid agency, the Directorate General for European Civil Protection and Humanitarian Aid Operations (ECHO), to relax its restriction on funding non-EU-based organizations to allow Ukrainian NGOs to directly apply for funding. This would require a legislative change but, as Ukraine is now an EU candidate country it would seem, politically at least, a quite reasonable step. As an immediate step, and has long been called for by supporters of the Grand Bargain, donors like ECHO should ensure fairness in overhead costs and in the co-ownership of all assumed risks and provide for adequate security costing. This would mean mandating that international actors who partner with local entities apply an adequate, if not equal, overhead percentage and security budget for the local entity as they do for themselves. This would ensure that Ukrainian organizations can better cover their own core operational costs while protecting their staff and operations as well as international actors do. Thankfully, as the June 2022 “Grand Bargain Annual Independent Report” noted in regards to overheads,

“there seems to be growing consensus among signatories and local partners that providing overhead costs is one important modality for supporting institutional capacity development, and therefore local leadership and response capacities...[but] there is also a recognition that the failure to provide overhead costs is unfair given that this has long been standardised in agreements for international aid organisations.”

As the largest donor to the sector, the United States will also have to change its own approach if fundamental changes are to be achieved. Such a course correction could include intensive training for Ukrainian organizations to deal with donors directly as full-fledged grantees. But it would also require that the U.S. government relax some of its own complex donor requirements and systems. In a welcome move, USAID has just published a new Risk Appetite Statement to govern the agency’s approach to risk in fulfilling its mission. The statement commits USAID to accepting a high level of risk as it “shifts more ownership, decision-making authority, and implementation responsibilities across its programs to local actors.” Ukraine offers the perfect opportunity to pilot this new approach to risk.

Moreover, Western governments have already adopted a “no regrets” approach to arming Ukraine, despite the very real risk of diversion of security assistance. And public support for Ukrainian citizens remains strong in the United States and Europe. Therefore, Western governments and legislatures in general should be willing to take some risk to get relief aid directly to local humanitarian workers, as USAID Administrator Samantha Power suggested was globally necessary in a November 2021 speech.

Fourth, donors should also try to deal with corruption head-on in Ukraine rather than build parallel systems to work around it. This would mean surging support to improve the transparency and accountability of the Ukrainian public sector while expanding government safety net programs instead of overlapping INGO- or UN-led programs. Such an effort would certainly be politically challenging to scale up across several ministries. But Ukrainians broadly want to tackle corruption and the country’s high degree of digitization should help put anti-corruption systems in place at a rapid pace. Moreover, the huge sums donors spend on humanitarian aid will likely pale in comparison to future budgets for reconstruction; tackling corruption early rather than letting it fester...
will help ensure those future funding drives and reconstruction efforts are not hampered by the same risks.

Finally, additional direct humanitarian funding by donors to the Ukrainian government and local organizations could also help reduce the problem that many international agencies currently face when it comes to the high degree of mixing between humanitarian and military aid. Some donors are already explicitly providing both military and humanitarian aid to Ukraine and therefore do not have the same problem of ensuring only principled humanitarian action. While not ideal, more direct funding by these states could also be paired with INGO- and UN-led programs to assist those Ukrainian organizations that are willing to separate the two spheres. As one staff member of a leading Ukrainian NGO in Dnipro explained, “we would be willing to separate our aid efforts, but this necessitates training and extra budget support since there will certainly be additional costs.”

Implementing all, much less any one, of these recommendations will certainly be challenging. But six months into the war in Ukraine, the humanitarian sector is at a critical juncture: the well-known costs of internationalization are taking shape just as organizations’ budgets and practices are becoming ever more fixed and resistant to change. Shifting resources and processes to directly empower Ukrainian entities—that is, conducting the humanitarian response the right way—will do more than build up Ukraine’s state and society as they challenge Russian aggression. It will also show that humanitarian institutions do have the capacity to change course—to do what everyone, at least in the abstract, has long thought best.
About the Author

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About Refugees International

Refugees International advocates for lifesaving assistance, human rights, 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.