



# Country-level Financing Solutions for Local Actors

Case studies: Colombia, Ethiopia and Ukraine

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# Colombia



Venezuelan migrants/refugees at the Equator-Colombian border;  
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# 1. Introduction

## Key country profile

Some 77% of the Colombian population (48,258,494 people) is concentrated in urban areas.<sup>1</sup> Colombia is classified as an upper middle-income economy<sup>2</sup> and is in the process of joining the Organisation for Economic Co-operation and Development (OECD). The Colombian Constitution (1991) and the institutional framework is highly complex and decentralized (32 departments, 1,122 municipalities). Gross national income per capita is US\$6,190; at least 27% of Colombians are living in poverty. Colombia has a land mass of 1,142,748 square km and shares extensive borders with Venezuela (2,219 km), Ecuador (586 km), Peru (1,626 km), Brazil and Panama.

## Humanitarian overview

### Violence, armed conflict, and peace

In 2016 the government of President Santos signed a peace agreement with the *Fuerzas Armadas Revolucionarias de Colombia* (FARC) armed group, bringing an end to Latin America's longest conflict which ran from 1966–2016. The humanitarian consequences of the conflict include the death of 260,000 people, 60,000 missing and the internal displacement of more than 8 million people.

Today, Colombia is still dealing with the humanitarian consequences of the prolonged conflict and the peace effort is facing numerous obstacles. The agreement was established to address not only issues arising from the conflict but also some of its underlying causes, such as comprehensive rural reform and illicit drug production. During nearly three years of implementation significant progress has been made in some respects: the handover of more than 7,000 weapons and the demobilization of nearly 7,000 weapon-bearers<sup>3</sup>. However, problems for its implementation remain, with political and budgetary barriers persisting. Other armed groups (e.g. the National Liberation Army—ELN; the People's Liberation Army—EPL; the Colombian Self-Defense Gaitanistas—AGC; Usuga and Caparropos) strengthened their presence in areas left by FARC. According to the International Committee of the Red Cross (ICRC), there are currently five armed conflicts in Colombia between the various armed groups and the government.<sup>4</sup>

The humanitarian consequences on the population are high. An average of 59 armed actions, 178 attacks on civilians and 14 events restricting humanitarian access are recorded every month.<sup>5</sup> During the first half of 2019, there were 72 victims of anti-personnel mines (APM), unexplod-

<sup>1</sup> National Statistics Department—DANE (2019). 2018 Census. Retrieved in Spanish from: <https://www.dane.gov.co/index.php/estadisticas-por-tema/demografia-y-poblacion/censo-nacional-de-poblacion-y-vivenda-2018>

<sup>2</sup> World Bank (2019). Current classification by income for the 2020 fiscal year. Retrieved from: <https://datahelpdesk.worldbank.org/knowledgebase/articles/906519-world-bank-country-and-lending-groups>

<sup>3</sup> the Presidency of Colombia (2016 November 16). Final Agreement to End of the Armed Conflict and Build a Stable and Lasting Peace. Bogota. Retrieved in Spanish from: <http://especiales.presidencia.gov.co/Documentos/20170620-dejacion-armas/acuerdos/acuerdo-final-ingles.pdf>

<sup>4</sup> ICRC (2019 January 30). Colombia: Five Armed Conflicts—What's Happening?. Retrieved from: <https://www.icrc.org/en/document/colombia-five-armed-conflicts-whats-happening>

<sup>5</sup> Country Humanitarian Team (2019 January 29). Colombia—Humanitarian Response Plan 2019. Retrieved from: [https://www.humanitarianresponse.info/sites/www.humanitarianresponse.info/files/documents/files/hrp\\_2019\\_english.pdf](https://www.humanitarianresponse.info/sites/www.humanitarianresponse.info/files/documents/files/hrp_2019_english.pdf)

ed ordnance (UXO) or improvised explosive devices (IED). These figures would rank Colombia among the five countries with the highest number of victims from APM/UXO/IED.<sup>6</sup> In 2018 the number of internally displaced persons (IDPs) remains high even though many remain unregistered. The number of new IDPs rose from 134,890 in 2017 to 157,353 in 2018. According to official figures, a total of 8,194,854 people (16.5% of the current population) have been registered as IDPs.<sup>7</sup> The 2019 Humanitarian Response Plan (HRP) for Colombia identified 5.1m people in need, targeting 1.3m in 268 municipalities.<sup>8</sup>

Illegal economies (drug trafficking, illegal gold mining, extortion) function as a feeder for violence and armed conflict. Increased recruitment and expansion of organised armed groups are fueled by the absence of the state and illegal economies. The hectares of coca sown has increased since 2013 (48,000h) to 169,019h in 2018.<sup>9</sup>

### Mixed migration/refugee flows from Venezuela

The political crisis in Venezuela forced at least 4.3m people to flee the country with some 1.4m arriving in Colombia (the main receiving country): 742,000 have entered the country legally and the remaining 665,000 not.<sup>10</sup> Although a conservative figure, it accounts for the equivalent of 3% of the population in Colombia. There are three simultaneous migration and refugee dynamics: (a) those passing through Colombia to other countries; b) those located in Colombia, mainly in large urban centers and border towns (Bogotá, Bucaramanga, Cucuta, Barranquilla, Cali); c) those who cross the border to access goods/services and return to Venezuela. Restrictions in neighboring countries (Chile, Peru, Ecuador) may cause more people to remain in Colombia in the future. The humanitarian needs of migrants/refugees are high. The flow continues and those who arrive in the country are increasingly more vulnerable.

In February 2019, the Venezuelan opposition tried to instrumentalize the delivery of humanitarian assistance. On the Colombian side of the border with Venezuela, there was an accumulation of humanitarian aid (provided by USAID).<sup>11</sup> Thousands tried to break through the border into Venezuela with the humanitarian assistance, but they were stopped on the bridges that separate the countries by Venezuelan border forces.<sup>12</sup> INGOs<sup>13</sup> publicly expressed their concern on the lack of humanitarian principles of this “assistance”.

<sup>6</sup> Unit for the Assistance and Integral Reparation of Victims (2019). Displacement—total national. Retrieved in Spanish from: <https://www.unidadvictimas.gov.co/es/registro-unico-de-victimas-ruv/37394> (2019, August 18).

<sup>7</sup> Unit for the Assistance and Integral Reparation of Victims (2019). Displacement—total national. Retrieved in Spanish from: <https://www.unidadvictimas.gov.co/es/registro-unico-de-victimas-ruv/37394> (2019, August 18).

<sup>8</sup> Country Humanitarian Team (2019 January 29). Colombia—Humanitarian Response Plan 2019. Retrieved from: [https://www.humanitarianresponse.info/sites/www.humanitarianresponse.info/files/documents/files/hrp\\_2019\\_english.pdf](https://www.humanitarianresponse.info/sites/www.humanitarianresponse.info/files/documents/files/hrp_2019_english.pdf)

<sup>9</sup> In 2016, 146,139 hectares were dedicated to coca on; in 2018 there were 169,019. This represents a significant increase from the 48,189 that reached Colombia in 2013, at the start of peace talks. UNODC (2019, August 5). *Monitoring Report of Territories Affected by Illicit Crops in Colombia* (2018). Retrieved in Spanish from: [https://www.unodc.org/documents/colombia/2019/Agosto/Informe\\_de\\_Monitoreo\\_de\\_Territorios\\_Afectador\\_por\\_Cultivos\\_Illicitos\\_en\\_Colombia\\_2018\\_.pdf](https://www.unodc.org/documents/colombia/2019/Agosto/Informe_de_Monitoreo_de_Territorios_Afectador_por_Cultivos_Illicitos_en_Colombia_2018_.pdf)

<sup>10</sup> Migration Colombia (2019, August 1). Venezuelans in Colombia on June 30, 2019. Retrieved from: <http://www.migracioncolombia.gov.co/index.php/es/prensa/infografias/infografias-2019/12565-infografia-venezolanos-en-colombia>

<sup>11</sup> BBC (2019, February 23). Assistance for Venezuela or Guaidó political maneuver against Maduro? The polemic on February 23rd “humanitarian land-slide”. Retrieved in Spanish from: <https://www.bbc.com/mundo/noticias-america-latina-4732177>

<sup>12</sup> The New York Times (2019, March 19). Who was responsible of the fire of the humanitarian assistance for Venezuela?. Retrieved in Spanish from: <https://www.nytimes.com/es/2019/03/10/venezuela-ayuda-incendiada/>

<sup>13</sup> Europapress (2019, February 8). NGOs warn on the “political use” of humanitarian assistance in Venezuela. Retrieved in Spanish from: <https://www.europapress.es/internacional/noticia-ong-advierten-contra-uso-politico-ayuda-humanitaria-venezuela-20190208173134.html>

The Inter-Agency Regional Migrants and Refugees Response Plan (2019), includes four areas of intervention: 1) Direct emergency assistance; 2) Protection; 3) Socioeconomic and cultural integration; 4) Strengthening the capacity of host governments. In Colombia, it targets 640,000 refugees and migrants and 300,000 people in host communities.<sup>14</sup>

## Natural Disasters

Colombia is a country prone to natural disasters, including landslides, flood, earthquakes and cyclones. In 2017 603,000 people were affected, (some 477,866 of these by flooding), causing at least 504 deaths.<sup>15</sup>

## Humanitarian actors

### Civil Society Organisations (CSOs)

Colombia has a rich civil society. Under the denomination of non-profit entities (*entidades sin ánimo de lucro*—ESAL), thousands of CSOs (193,070) are currently active. CSOs are active in local development; education; care for vulnerable groups such as children, young people and the elderly; undertake environmental activities and provide support to ethnic groups (Afro-Colombian, indigenous, etc.). It is unclear the amount of funding they mobilize, but according to official sources, it could reach up to 15% of GDP.<sup>16</sup>

Local people, especially in rural areas, are the first responders in the event of a sudden disaster. They offer shelter, food and non-food assistance in the first hours and days prior to the arrival of aid from the State and humanitarian organisations. In the case of armed conflict/violence, victims in rural areas move to nearby locations until fighting ceases; meanwhile, they are housed by families or in community facilities. In the case of Venezuelan migrants/refugees, many people have provided spontaneous assistance to “walkers” (*caminantes*). However, the continuity and recurrence of such flows erode the ability to offer such assistance.

Most grass-root organisations in Colombia support humanitarian action, albeit with limited technical capacity. Thus, ethnic groups in rural areas which have formal organisational structures linked to the territory (e.g. indigenous *cabildos*; Afro-descendant community councils) are often the first responders.

Colombia has a confederation of NGOs, which includes four regional federations and about 15 national ESALs.<sup>17</sup> Foundations linked to enterprises are grouped into the Association of Business Foundations, which integrates more than 70 partners.<sup>18</sup>

Concerning humanitarian action, ESALs/CSOs can be grouped into three groups:

1. Grass root organisations (farmers, ethnic groups, community action councils),
2. CSOs working in development,
3. Specialized humanitarian organisations.

<sup>14</sup> R4V—Response for Venezuelans (2018 December 18). Regional Refugee and Migrant Plan (January–December 2019). Retrieved from: <https://r4v.info/en/documents/download/67282>; Americas: Population Movement—IFRC Revised Emergency Appeal n° MDR42004: <https://reliefweb.int/report/venezuela-bolivarian-republic/americas-population-movement-revised-emergency-appeal-n-0>

<sup>15</sup> OCHA (2018 April 20). Natural Disasters in Colombia 2017-April 2018. Retrieved in Spanish from: [https://reliefweb.int/sites/reliefweb.int/files/resources/20180420\\_snapshot\\_desastres\\_naturales\\_2017\\_-\\_v2.pdf](https://reliefweb.int/sites/reliefweb.int/files/resources/20180420_snapshot_desastres_naturales_2017_-_v2.pdf)

<sup>16</sup> La República (2018, May 25). Only 58% of ESAL requested special status. Retrieved in Spanish from: <https://www.larepublica.co/economia/solo-58-de-las-entidades-sin-animo-de-lucro-solicitaron-regimen-especial-2731320>

<sup>17</sup> <https://ccong.org.co/ccong/>

<sup>18</sup> <https://afecolombia.org/>

There are very few CSOs/ESAL specialized in the humanitarian field, including organisations such as the HALU Foundation; the Tierra de Paz Foundation; the Corporation for Children and Development; the National Secretariat of Social Pastoral or the Jesuit Refugee Service Colombia.<sup>19</sup> Humanitarian L/NNGOs lack currently a specific coordination forum.

In recent years, several INGOs have adopted a national legal status. This implies that they have registered in Colombia as a national ESAL, mostly as local foundations. Their boards and legal representation are held by Colombian nationals and their staff are mostly Colombian; they also advocate and establish contracts/agreements with the Colombian Government and campaign and fundraise among Colombian citizens and the private sector. These entities are financially independent L/NNGOs but at the same time are also members of international networks. Examples include Plan Colombia<sup>20</sup>, Save the Children Colombia<sup>21</sup> and Caritas/SNPS (to a certain extent). All these organisations provide combined development and humanitarian programs. According to the organisations interviewed, the average range of humanitarian funding for L/NNGOs varies between US\$500,000 and \$2m a year (higher in the case of SNPS/Caritas).

### Red Cross and Crescent Movement

The International Red Cross and Red Crescent Movement (RCM) is represented in Colombia by the Colombian Red Cross (CRC), supported by the International Federation of Red Cross and Red Crescent Societies (IFRC) and several fellow Partner National Societies. The ICRC is also present in Colombia. According to the CRC's Annual Report<sup>22</sup>, it assisted almost 3 million people, with 30,713 volunteers in 2018 and further:

- Mobilised US\$16.2m (56,930m COP).
- US\$14m (49,182m COP) were mobilised through 12 donors/partners: six from the RCM (German Red Cross, American Red Cross, Spanish Red Cross, Norwegian Red Cross, ICRC and the IFRC); two from Colombian government institutions (National Unit for Disaster Risk Management (UNGRD), Colombian Family Welfare Institute (ICBF)); the Ministry of Foreign Affairs; one from OCHA (Country Based Pooled Fund (CBPF)), another from the Lottery of the CRC and from the national oil company Ecopetrol.
- Mobilised US\$2.2m (7,748m COP) from in-kind and cash donations.
- US\$9.1m (31,476m COP) were transferred to the 32 Red Cross sectionals.

The local branches of the CRC may directly access other sources of funding, e.g. UNHCR or WFP, although they are mostly implementing partners for the delivery of in-kind aid (e.g. non-food-kits or cash vouchers). The IFRC opened an office in Colombia in 2017, in the frame of a specific project for the Zika response and remained as a consequence of the migrant/refugee crisis. The ICRC has been present and operational in Colombia for nearly 50 years, assisting those affected by conflict.

<sup>19</sup> <http://www.fundacionhalu.org/>, <https://fundaciontierradepaz.org>, <https://www.corporacioninfanciaidesarrollo.org/>, <https://caritascolombiana.org/>

<sup>20</sup> <https://www.plan.org.co>

<sup>21</sup> <https://www.savethechildren.org.co>

<sup>22</sup> Colombian Red Cross. Report of management: Colombian Red Cross National Society (2018). Retrieved in Spanish from: [http://www.cruzrojacolombiana.org/sites/default/files/6%20INFORME%20DE%20GESTION\\_V%20LIGERA.pdf](http://www.cruzrojacolombiana.org/sites/default/files/6%20INFORME%20DE%20GESTION_V%20LIGERA.pdf)

## International NGOs

After more than 50 years of conflict, there are numerous INGOs in Colombia. Many are represented in the Forum of International humanitarian NGOs, currently with 17 members<sup>23</sup>. The INGO presence in the country varies from Plan Foundation's 55 years to Danish Refugee Council's 8 years. In May 2019 INGOs reported having 1,604 staff (92.5% national). Most of the INGOs share a triple mandate (humanitarian, development, stabilization/peace building) with different emphases.

## Humanitarian Coordination: Humanitarian Country Team (HCT)

The coordination system combines a cluster structure at the national level with twelve Local Coordination Teams (LCT). Some of the LCT are led/co-led by INGOs or L/NNGOs. L/NNGOs now have more opportunity to participate in LCT, an evolution of the previous Local Humanitarian Teams (LHT). After the Peace Agreement, there was an understanding that development actors should coordinate with humanitarian actors in the field. Therefore, LHT were embedded in LCT. In the 2018 HRP, 40 organisations requested financial support, seven of them were L/NNGOs (17.5%).<sup>24</sup> The HCT has a seat for an L/NNGO representative (currently held by the Corporation Childhood and Development) and four seats for INGOs. Over the last seven years, OCHA has reduced its budget and, therefore, its capacity. This has reduced its capacity to provide information and field coordination; the CBPF was also closed (see below).

## Humanitarian Coordination: GIFMM

Following a decision of the UN Secretary-General, UNHCR and IOM are leading the response to the Venezuelan migrant/refugee influx for the UN. A regional platform based in Panama is coordinating the countries' platforms in those southern States receiving Venezuelans and has developed the Response Plan for Refugees and Migrants (RPRM). In Colombia, the Platform is called GIFMM (Interagency Group on Mixed Migrants Fluxes). This system reportedly has a limited dialogue with the humanitarian response led by the HCT in Venezuela. The GIFMM is establishing a sectoral approach differentiated from the cluster system. Acknowledging that the rights and legal approach for Venezuelans differs from that of IDPs in Colombia, the sectorial approach shares many features and partners with the cluster system (coordination between the two is still in progress). INGOs and L/NNGOs are requesting that the GIFMM adopt features of the humanitarian reform agenda including an inclusive leadership where NGOs are represented, increased accountability and improved information sharing. At the field level, there are local coordination meetings of GIFMMs (in Cucuta, Riohacha, Barranquilla, Pasto, Bogota, among others). Some L/NNGOs reported have difficulties to access meetings of local GIFMMs.

<sup>23</sup> German Caritas; Oxfam; Norwegian Refugee Council; Doctors of the World; Danish Refugee Council; Lutheran World Federation; Plan International; International Rescue Committee; War Child; iMMAP; Action Against the Hunger; Mercy Corps; Humanity and Inclusion; Save the Children; Alianza por la Solidaridad; Diakonie Katastrophenhilfe; Terre des Hommes Lausanne.

<sup>24</sup> Country Humanitarian Team (2018 January 10). Colombia - Humanitarian Response Plan 2018—annex. Retrieved from: [https://www.humanitarianresponse.info/sites/www.humanitarianresponse.info/files/documents/files/anexos\\_0\\_0.pdf](https://www.humanitarianresponse.info/sites/www.humanitarianresponse.info/files/documents/files/anexos_0_0.pdf)



## 2. Current financing solutions

### How do local actors access humanitarian financing?

#### Direct international funding

Accessing humanitarian funding in Colombia is increasingly difficult for all organisations (UN, INGOs, L/NNGOs), especially for the three-fold approach to implementing actions for new victims of conflict, peace stabilization and the migrant/refugees needs. The analysis of the information provided by OCHA's Financial Tracking System illustrates that there are barriers for L/NNGOs to directly access international funding:

**The HRP 2018** requested US\$156.4m of which L/NNGOs requested 24.8M (13%) (Halu, CID, CRC, TdP, PS Pasto, SJR).

- US\$123m was funded (77%).
- Just US\$10.5m was directed to L/NNGOs (Colombian Campaign Against Landmine—CCAL; SNPS/Caritas) and the CRC. This is 9% of the total funding received.<sup>25</sup>

**The HRP 2019** requested US\$315.4m of which L/NNGOs requested just US\$6.9m (2%) (Halu, JRS, CRC).

- By August 2019, US\$ 45.1m was funded (14%).
- Just US\$3.8m USD directly funded one NNGO (CCAL) and the CRC. This is 8% of the total funding received.

**The RPRM 2019** requested US\$315m.

- By August 2019 US\$96m was funded (30%).
- Just US\$1.6m was directly destined to a national organisation: the CRC—2% of to the total funding received.<sup>26</sup>

With almost two decades of INGO presence, many have taken the role of local actors, directly implementing their actions. Only in the case of high specialization (e.g. landmines—CCAL) or the CRC, do L/NNGOs receive direct funding from international donors. The main humanitarian donors in Colombia have a coordination forum, integrating ECHO, Switzerland, the USA, Canada, Sweden, Spain, Germany, the Netherlands and Norway, among others. Some donors are funding different pooled funds (at global and national level). In 2017, ECHO funded the EU Trust Fund with US\$3.3m (Euro 3m), intended to mainstream disaster management in projects but finally decided to fund one single project (led by FAO in a consortium with INGOs and other UN agencies).

<sup>25</sup> [https://fts.unocha.org/countries/49/flows/2018?order=directional\\_property&sort=asc&page=2#search-results](https://fts.unocha.org/countries/49/flows/2018?order=directional_property&sort=asc&page=2#search-results)

<sup>26</sup> <https://fts.unocha.org/countries/49/summary/2019>

## Funding through INGOs

The main strategy for L/NNGOs to access financing for their humanitarian work has been to act as an implementing partner for INGOs or UN agencies. As mentioned above, most INGOs in Colombia are directly implementing humanitarian programmes. In a few specific cases, humanitarian programmes are implemented through local partners. For example, the INGO *Diakonie Katastrophenhilfe* (DKH) aims to increase technical humanitarian capacities of L/NNGOs in a sustainable way. This includes facilitating L/NNGO relations with INGOs (in the frame of consortiums). It has positively impacted the capacity of its local partners (Land of Peace, Childhood, and Development, Bemposta, among others). 100% of its operations are through partners. DKH have actively supported the presence of a representative of the L/NNGO in the HCT. In the case of Oxfam, they are implementing humanitarian assistance through development partners that are temporarily carrying out humanitarian actions. The INGO *Alianza por la Solidaridad* is also implementing peace stabilization programs in areas affected by the conflict that is linked to humanitarian activities, through grass-root ethnic organisations.

## Funding through pooled funds

In the case of the **Red Cross Red Crescent Movement**, there is a Disaster Response Emergency Fund (DREF)<sup>27</sup> operated by the IFRC and available to National Societies as “start-up” funds in the immediate aftermath of a large-scale crisis (as “loans” to be recovered from subsequent international appeals) or for full (grant) coverage of responses to small or medium disasters. In 2018, the CRC received funding from DREF for three projects, for population movements (migrant/refugees) and avalanche and floods risk for around US\$560,000.<sup>28</sup> The CRC has not yet received funding from the DREF’s dedicated programme for Forecast-Based Action (FbA) for funding trigger-based early action.<sup>29</sup> The IFRC launched an emergency appeal for Colombia in 2019 that was very successful and was covered (up to US\$5m)<sup>30</sup> mainly by the Office of the US Foreign Disaster Assistance (OFDA) and K Department for International Development (DFID). It has been extended in a second phase with additional US\$2m requested.

At national level, **Caritas Colombia/SNPS** has a National Fund for emergencies that provides funding to the local Caritas/Pastoral Social at dioceses level. The Catholic Church campaigns to fundraise from individual donors that contribute to this fund. Small amounts of 10–15M COP (US\$3,000–5,000) allow to cover 12 to 14 small emergencies every year. It does not cover administrative costs, overheads or staff, but only direct tangible assistance and logistic costs. **Caritas Internationalis** has an Emergency Response Fund for immediate humanitarian response up to 6 months that all Caritas branches can request funding from. Other INGOs, such as Oxfam, have similar global emergency funds.

The **Start Fund** has provided funding for emergency response in Colombia since 2014. Although, there are opportunities for L/NNGOs to join the Start Network, all funding grants to date (value of some US\$930,000 (750,892 GBP)) have been to INGOs as lead agencies, with some L/NNGOs acting as implementers.<sup>31</sup>

<sup>27</sup> IFRC. Disaster Relief Emergency Fund (DREF). Retrieved from: <https://www.ifrc.org/PageFiles/40861/DREF%20Background%20paper.pdf>

<sup>28</sup> IFRC (2019 April). Disaster Relief Emergency Fund: Annual Report 2018. Retrieved from [https://reliefweb.int/sites/reliefweb.int/files/resources/DREF\\_OR\\_2018\\_Q4.pdf](https://reliefweb.int/sites/reliefweb.int/files/resources/DREF_OR_2018_Q4.pdf)

<sup>29</sup> <https://media.ifrc.org/ifrc/fba/>

<sup>30</sup> IFRC (2019). Revised Emergency appeal. Colombia\_ Population Movement. Retrieved from: <https://www.ifrc.org/en/publications-and-reports/appeals/>

<sup>31</sup> <https://startnetwork.org/start-fund/alerts>

## Funding through the UN system (CERF, GIFMM)

CERF funding is requested by the Humanitarian Coordinator as leader of the HCT. While L/NNGOs have a seat at the HCT, neither L/NNGOs nor INGOs participate in the decisions to distribute funding among UN agencies. In some cases, UN agencies (generally those acting as cluster leads) request funding proposals from the clusters. In others, the UN agency decides how to use the available funds. A similar situation occurs with funds received under the RPRM by the lead agencies (UNHCR and IOM). The UNHCR has developed strategic relations with some L/NNGOs such as Legal Option. At the same time, it identifies potential partners in the regions where it is operational and invites them to participate in a public expression of interest to implement activities pre-defined by UNHCR. Currently UNHCR has around 26 L/NNGO partners in Colombia. UNICEF also works with specific and pre-identified L/NNGOs. WFP works through partners providing mostly in-kind assistance although in some cases has flexibility for funding staff costs. FAO, UNFPA, UN Women also fund L/NNGOs, under similar implementation schemes.

## Funding from the State

Many L/NNGOs obtain funding for humanitarian and stabilization activities through working with government institutions. One approach is competing for contracts against the private sector. As the government of Colombia lacks human resources and structures to directly implement social programs, carrying out contracting services are an opportunity for many CSOs/ESALs to obtain funding and contribute to their own sustainability. This is an approach generally used by organisations focused on development, but humanitarian L/NNGOs also use this approach. Another approach is to establish a cooperation agreement with a government institution. The L/NNGO has to provide part of the funding from other sources—at least 30% of the total project value—and the State provides the rest. This requires a high negotiation capacity of the L/NNGO and acceptance that different Colombian institutions (*Contraloría*—Office for the control of public funding, *Procuraduría*—Office for the control of officials) will review 100% of the project funding. Also, the evaluation of financial indicators of CSOs/ESALs are based on for-profit criteria, where CSOs/ESALs have limited records/reports (as their aim is not necessarily to own properties or assets).

According to a recent report analysing the access to funding for CSOs in Latin America (mainly development funding), it identifies one Colombian government body (*Colciencias*—Administrative Department of Science, Technology and Innovation) as the third largest donor for CSOs in Latin America. When considering the funding accessible to CSOs, three Colombian institutions are among the top ten donors in Latin America: the Municipality of Bogota (2nd place), *Colciencias* (3rd), the Colombian Ministry of Culture (9th), in a list shared with UNDP, USAID and EU, among others<sup>32</sup>.

## Key factors that influence the ability of local actors to access humanitarian financing

According to stakeholders' experience and feedback from donors, UN agencies and INGOs, the following factors have influenced decisions as to whether to provide financing (often as an implementing partner) to L/NNGOs:

- Previous and proven experience in administrative management
- Proven field experience
- Knowledge of the context and access to remote areas

<sup>32</sup> Impactia and Civicus (2019 September 3). Access to funding for CSO in Latin America. Retrieved in Spanish from: <https://www.civicus.org/index.php/es/medios-y-recursos/comunicados-de-prensa/4025-sociedad-civil-en-america-latina-recibe-escasa-financiacion-y-apoyo-para-realizar-trabajo-critico-de-cambio-politico-y-social>

- Local presence and capacity to move into new areas
- Availability of appropriate human resources.

### Barriers for local actors to use and access humanitarian financing

Some of the barriers reported by donors are focused on the lack of L/NNGOs' strong administrative and logistic systems to implement humanitarian responses. This is especially for grassroots organisations that have exceptional access to areas and affected populations, but lack sufficiently robust managerial and financial systems to be able to manage funds meeting the requirements of donors. Some donors do not consider funding local organisations as they require a framework partnership agreement to already be established, as in the case of ECHO. ECHO further requires that their partners must be domiciled in the EU. ECHO does allow its European partners to work with L/NNGOs in the field (including CRC, Corsoc, Corpomanigua, CID, TdP, Pastoral Social). Other donors, such as Switzerland and the USA directly fund L/NNGOs. For example, the USA is funding some L/NNGOs such as Caritas Colombia/SNPS and Profamilia.

Barriers identified by L/NNGOs in Colombia to access humanitarian funding include:

- **Donor restrictions.** Due diligence criteria that are almost impossible for L/NNGOs to meet. Legal requirements are often non-negotiable and cover areas of legal risk to regulations on medical aid.
- **Donors' specific mandates or interest in specific technical/geographic areas.** Instead of taking into account where humanitarian gaps are, some donors have previous strategic decisions taken in their home countries, and therefore focus their cooperation in these specific areas.
- **Donor rules and disbursement.** Inflexible payment cycles when the last disbursement is made once activities are completed and the final report submitted and accepted requires that L/NNGO have a robust cash flow.
- **Information on how to access funding:** L/NNGOs reported lacking information as to how to access funding from UN funding mechanisms (e.g. CERF, GIFMM).
- **Administrative costs and overheads:** Donors have different interpretations on what are administrative costs directly linked to an operation and what are overheads. There are many different interpretations, but it is exceptional that an L/NNGO would receive funding to sufficiently cover their overheads. Indeed, in some cases no administrative or overhead costs are covered. A positive example is the IFRC agreement with ECHO that allows them to transfer funding to the CRC to cover up to 4–5% of overhead costs.
- **Political barriers:** Lack of political will by the national government for an international call for support might limit some donors' willingness to fund humanitarian action in Colombia. For example, in recent emergencies, such as the Mocoa landslide, the migration/refugee crisis or the increasing armed conflict/violence. In recent years, Colombia avoided launching a Consolidated Appeal (CAP). Also, it was stated by some that national authorities tend to maximise local capacities while minimizing the amplitude of a disaster, thus limiting the presence of international humanitarian actors.
- **Legal/financial barriers to receive funding from Colombian authorities:** As explained above, some L/NNGOs are implementing humanitarian programmes (for example, for the Venezuelan influx) with government funding but are requested to co-fund 30% of the operation.
- **Operational humanitarian experience:** The main experience of many L/NNGOs is in development, human rights or community strengthening, reflecting their original core mandates. Often INGOs provide L/NNGOs with limited funding for relatively small-scale humanitarian programs. This limits the development of their humanitarian expertise.
- **Human resources.** Most L/NNGOs lack financial sustainability to retain experienced staff. Funding gaps between contracts implies losing staff. There are also some roles that compete

with the for-profit market (e.g. WASH engineers or doctors) and are difficult to fill given the lower salaries and the harsh field conditions.

- **Financial and management capacities:** L/NNGOs, though formally constituted, frequently have limited administrative capacities. In many cases, they have a volunteer and/or part-time administrator. Financial requirements—such as specific bank accounts for specific projects—make it complicated from an administrative perspective.
- **Centralized access to international cooperation donors:** Cooperation agencies and funding embassies tend to have a centralized structure in the capital, Bogotá, limiting the access of L/NNGOs. This is partially compensated with the presence of INGO and UN agencies in the LCTs.

The risk of corruption is not perceived as a main barrier to accessing funding for L/NNGOs. In addition, there is a limited amount of funding flowing directly to L/NNGOs limiting the possibilities for fraud. Even so, some L/NNGOs are starting to establish formal accountability and whistle-blowing systems.

## 3. Legal and policy environment

### In-country laws and policies

All CSOs/ESALs in Colombia are required to be registered as an ESAL (non-lucrative entity) in the Chamber of Commerce. There are three main legal forms for ESAL: associations, corporations and foundations.<sup>33</sup>

Donations to CSOs/ESALs previously had a 100% tax deduction for the tax declaration of the donor. This was used especially by enterprises, which set up many CSOs/ESALs. A reform in 2016<sup>34</sup> (in place since January 2018) introduced a more strict tax obligation for CSOs/ESALs in two ways: a) tax deduction for donors is limited to 25% and b) in order to access a special tax status, CSOs/ESALs must comply with strict regulations, including the online publication of annual accounts and an activity report, that are subject to public scrutiny. The reform only covers certain CSOs/ESALs (26,094 of 193,070 existing CSOs/ESALs); new CSOs/ESALs will have a tax status like for-profit entities. Another law intends to reduce the risk of fraud in contracts among L/NNGOs and government institutions. It limits the possibility to directly establish a contract with a CSO/ESAL to implement a project with Colombian public funding; it requires an open call to identify the best CSO/ESAL. In the case where a CSO/ESAL provides 30% of the resources (in cash and not in-kind), no open call is required.<sup>35</sup>

These reforms reflect Colombia's legal environment that has become stricter in order to reduce corruption. This is currently affecting L/NNGOs, although in the mid-term could clarify and differentiate from real CSOs/ESALs and the for-profit entities masquerading as not-for-profits. In general terms, Colombian authorities deal with CSOs/ESAL as if they were for-profit organisations. This implies that they treat them as contractors rather than partners that support the State to implement social policies. The added value of CSO expertise in implementing social interventions is not considered. The legal form of the relationship is a commercial contract instead of a grant agreement.

Obtaining VAT exemption for humanitarian programs is possible, but only for those projects funded by international donors that have an agreement with the Ministry of Foreign Affairs. In order to be declared as a project of "public interest" and benefit from VAT exemption, first there must be a specific agreement between Colombia and the donor government. The project must then be reported to the Presidential Agency for International Cooperation (APC) which consults with the involved national departments or municipalities to obtain their agreement. This process may take months and is a barrier both for humanitarian L/NNGOs and INGOs. In the past, the VAT exemption has arrived almost at the closure of the project according to L/NNGOs and

<sup>33</sup> Commerce Chamber of Bogota (2019). Foundations and Associations (ESAL.ONG). Retrieved in Spanish from: <https://www.civicus.org/index.php/es/medios-y-recursos/comunicados-de-prensa/4025-sociedad-civil-en-america-latina-recibe-escasa-financiacion-y-apoyo-para-realizar-trabajo-critico-de-cambio-politico-y-social>, <https://www.ccb.org.co/Preguntas-frecuentes/Registros-Publicos/Sobre-nuestros-registros/Fundaciones-y-Asociaciones-ESAL-ONG>

<sup>34</sup> DIAN (2019). Non-lucrative entities—ESAL. Retrieved in Spanish from: <https://www.dian.gov.co/impuestos/sociedades/ESAL/Paginas/default.aspx>

<sup>35</sup> Colombia buys efficiently. Myths and Realities of Decree 092 of 2017. Retrieved in Spanish from: <https://www.colombiacompra.gov.co/content/mitos-y-verdades-de-la-aplicacion-del-decreto-092-de-2017>

INGOs. The UN agencies obtain a VAT exemption differently, as they recover the VAT paid. Humanitarian L/NNGOs that receive funding from an INGO or a UN agency benefiting from the VAT exemption do not themselves benefit from the exemption.

Another barrier, particularly for newly established L/NNGOs, is the reluctance of banks to work with them. This is based on a negative perception of L/NNGOs, as they are working in conflict and previously were not perceived as neutral. Money laundering policies in Colombia also impact access of L/NNGOs to bank accounts and services.

### **International donor country laws and policies**

None of the international donors interviewed for this research identified specific laws or policies from their countries that restrain access to funding for L/NNGOs (with the exception of ECHO as described above). If any, the barriers are the same as for INGOs as, in some cases, the compliance with anti-terrorist laws (European and North American donors) and the need for a formal request from the Colombian Government to channel international aid cooperation for natural disasters. In the case of anti-terrorist measures some donors request implementing partners to ensure that no aid reaches any former member of FARC, including after their demobilization. As the Venezuelan humanitarian crisis is becoming highly politicized, some L/NNGOs are trying not to be affected by political bias that might erode their perception as neutral and independent humanitarian organisations. For this reason, they may choose not to directly receive funding from international donors for this crisis. When asked, some, but not all, donors stated that they do not consider that neutrality and impartiality might be affected in humanitarian activities implemented by L/NNGOs. Rather, they strongly appreciate their knowledge of the complex context of Colombia. USAID/OFDA was one of the donors that did however highlight that on some occasions, due to certain affiliations, L/NNGOs may not be perceived as impartial or neutral and this is a factor that is taken into consideration when funding decisions are being made.

## 4. Country-based pooled funds

### Humanitarian pooled funds

The Emergency Relief Fund (ERF), (**Colombia Country-Based Pooled Fund (CBPF)** or “Fondo Canasta”) was implemented successfully in Colombia between 2010 and 2017. According to the Head of OCHA in Colombia, its office decided to fund only INGOs and L/NNGOs (and no UN agencies). The main donors included Spain, Norway, Switzerland and Sweden. Access to funding from the CBPF by L/NNGOs varied over time. In the first two years L/NNGOs obtained a significant percentage of funds as can be seen in the table below. Some L/NNGOs had problems implementing their operations in a timely manner and according to the fund’s processes. Following this first phase, funding then concentrated on INGOs. In 2015 OCHA made an assessment and positively evaluated 27 partners (15 L/NNGOs and 15 INGOs) and established different risk levels and therefore different conditions to access funding (e.g. magnitude of funding). In the final two years, L/NNGOs received a significant percentage of funding.

Year	Total funding US\$	L/NNGO %	INGO %	Number projects	# projects by L/NNGO
2010 <sup>36</sup>	1,821,239	46%	54%	9	4
2011 <sup>37</sup>	1,560,166	36%	64%	8	3
2012 <sup>38</sup>	1,196,598	17%	83%	7	1
2013 <sup>39</sup>	2,215,176	9%	91%	13	1
2014 <sup>40</sup>	2,800,000	21%	79%	14	3
2015 <sup>41</sup>	2,114,781	11%	89%	11	1
2016 <sup>42</sup>	2,100,000	36.5%	63.5%	12	4
2017 <sup>43</sup>	1,167,618	48.8%	51.2%	8	4

*Direct funding from the CBPF to partners.  
Source: own elaboration with data from CBPF*

<sup>36</sup> OCHA (2014 August 6). Emergency Response Fund Colombia—Annual Report (2010). Retrieved from: <https://www.humanitarianresponse.info/es/operations/colombia/document/informe-anual-erf-colombia-2010>

<sup>37</sup> Ibid.

<sup>38</sup> OCHA (2014 August 6). Emergency Response Fund Colombia—Annual Report (2012). Retrieved from: <https://www.humanitarianresponse.info/sites/www.humanitarianresponse.info/files/documents/files/Informe%20Anual%20ERF%20Colombia%202012.pdf>

<sup>39</sup> OCHA (2014 October 9). Emergency Response Fund Colombia—Annual Report (2013). Retrieved from: <https://www.humanitarianresponse.info/es/operations/colombia/document/informe-anual-erf-2013> Ibid.

<sup>40</sup> Ibid.

<sup>41</sup> OCHA (2016, December 31). Colombia Humanitarian Fund—Annual report 2015. Retrieved from: <https://reliefweb.int/report/colombia/colombia-humanitarian-fund-annual-report-2015>

<sup>42</sup> OCHA (2017, June 15). Colombia Humanitarian Fund—Annual report 2016. Retrieved from: [https://www.humanitarianresponse.info/sites/www.humanitarianresponse.info/files/documents/files/colombia\\_humanitarian\\_fund-\\_annual\\_report\\_2016.pdf](https://www.humanitarianresponse.info/sites/www.humanitarianresponse.info/files/documents/files/colombia_humanitarian_fund-_annual_report_2016.pdf)

<sup>43</sup> OCHA (2017, December 20). Colombian Humanitarian Fund—Report fourth quarter of 2017. Retrieved in Spanish from: [https://www.humanitarianresponse.info/sites/www.humanitarianresponse.info/files/documents/files/informe\\_cuarto\\_trimestre\\_2017\\_0.pdf](https://www.humanitarianresponse.info/sites/www.humanitarianresponse.info/files/documents/files/informe_cuarto_trimestre_2017_0.pdf)



The CPBF was highly appreciated by L/NNGOs. Some of them considered it as the impetus that allowed them to start their humanitarian programs. Many actors expressed concern that the CBPF was shut down in 2017. Despite donors reportedly being willing to continue funding the CBPF, OCHA reportedly decided to close it to align with its global guidance on CPBF closure once a country moves towards a recovery phase (presumably based on the 2016 Peace Agreement).<sup>44</sup> Interviewees reported that this decision was opposed by a number of INGOs and L/NNGOs.

## CERF Fund

Colombia has received funding from the CERF in recent years, both in the “rapid response” and the “underfunded” window. CERF funding was as follows:

- US\$7,991,845 (2019);
- US\$5,929,493(2018);

Some L/NNGOs stated that accessing CERF funding (through a UN agency) has high transactional costs compared to the amount of funding received. According to OCHA’s Financial Tracking System it is not possible to identify the final implementing partner (and if its direct implementation is by the UN agency receiving the funding or an INGO, L/NNGO or other entity).

## Stabilization and Peace pooled funds

Following the 2016 Peace Agreement, the Colombian Government harmonized four different funding streams in the frame of the **Fund Colombia in Peace**<sup>45</sup>:

- a. EU Trust Fund—focused on rural development (first point of the Peace Agreement),
- b. UN Multi-Partner Trust Fund—focused on early deployment of capacities,
- c. Sustainable Colombia Initiative (IDB) fund—focused on sustainable and environmental development,
- d. World Bank (WB) Fund—focused on urban development.

**a) The EU Trust Fund (EUTF)** was created with funding (US\$133m (Euro 120m)) from EU Member States and Chile. L/NNGOs and CSOs have a reduced call for proposals (US\$3.3m (Euro 3m) in total). The EUTF has specific thematic and geographic criteria. The Government identified four key departments (Caqueta, Guaviare, Putumayo and Nariño) and especially in areas where the demobilized combatants are living. There are 21 projects under development, implemented by 18 partners. Eight partners are L/NNGOs.<sup>46</sup>

**b) The UN Multi-Partner Trust Fund (UNMPTF)**<sup>47</sup> for Colombia is included in the frame of other similar trust funds constituted since 2006 for humanitarian, stabilization and peacebuilding activities in countries such as the Democratic Republic of the Congo, Sudan, South Sudan, Central African Republic, among others. The UNMPTF has a budget of US\$124m (2016–2019) and a new phase is currently under approval. It has two main areas of implementation: a) Support to Colombian institutions for their rapid deployment and start-up in rural areas and territories to implement the Agreement (e.g. Special Justice for Peace (JEP), Unit for Missing People); b) to promote development and peacebuilding activities in communities and areas where FARC demobilized combatants are in the process of reintegration. The management board integrates the

<sup>44</sup> OCHA (2018) Colombia Humanitarian Fund 2009-2018, Closing Document: <https://www.unocha.org/sites/unocha/files/Colombia%20HF%20Closure%20report%202018.pdf>

<sup>45</sup> National Planning Department (2015, November 23). Fund Colombia in Peace (CONPES document number 3850). Retrieved in Spanish from: <https://colaboracion.dnp.gov.co/CDT/Conpes/Econ%C3%B3micos/3850.pdf>

<sup>46</sup> <https://www.fondoeuropeoparalapaz.eu/proyectos/>

<sup>47</sup> <http://mptf.undp.org/factsheet/country/COL>

CSO *Minuto de Dios*, as representative of L/NNGOs. Currently, under the “peace window” at least 40 L/NNGOs and INGOs (the split is not known) are directly receiving funding through UNDP (as the managing agent); and 12 UN agencies are receiving funding that, in some cases, are implemented through CSOs. A total of 30% of the UNMPTF funding is intended for CSOs while 70% is for State entities through UN agencies. UNDP, as managing agent, includes a risk analysis on L/NNGO capacities and a strengthening plan.

**c) The Sustainable Colombia initiative (IDB)** has already committed funding for environmental initiatives. It was launched in May 2017 (funded by Switzerland - US\$5m; Sweden US\$4.6m; and Norway US\$200m under a pay-for-results approach). The fund is for development activities and L/NNGOs may apply as “executing agencies”, competing against governmental institutions, private sector or universities, in open funding calls.<sup>48</sup>

**d) The Fund for the Peace and the post-conflict with the WB** (US\$7,160,000 provided by Sweden and the WB), is designed to strengthen the Colombia government’s capacity of knowledge management for better public policies implementation, technical assistance, and funding leverage<sup>49</sup>. It has no access for L/NNGOs.

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<sup>48</sup> Presidential Cooperation Agency. Fund Colombia Sustainable. Retrieved in Spanish from: <https://www.apc-colombia.gov.co/etiquetas/fondo-colombia-sostenible>

<sup>49</sup> Presidential Cooperation Agency. World Bank Fund for Peace and Post-conflict. Retrieved in Spanish from: <https://www.apccolombia.gov.co/pagina/banco-mundial>

## 5. Domestic resource mobilization

### Funding from the private sector and individual donors

The private sector can be a source of humanitarian funding in Colombia, especially in the case of natural disasters and sudden emergencies. The Group Exito (a large retailer) collected funding, some US\$20,000, after a 2017 landslide in Mocoa.<sup>50</sup> However, there are almost no examples of private sector funding for immediate humanitarian activities for victims of conflict/armed violence. Enterprises tend to focus on development issues and implement activities through private sector foundations. Many INGOs (Action Against Hunger, Doctors without Borders), some L/NNGOs linked to international networks (Childhood Villages, Plan, Caritas, Save the Children) and UN agencies (UNICEF) are fundraising from private individual donors in Colombia. The CRC implements a lottery and is starting campaigning for individual fundraising. CRC is also receiving philanthropic funding from enterprises and private donors. L/NNGOs that are not linked to international networks tend not to fundraise locally. One INGO that has established a national branch is fundraising from the national private sector for the Venezuela crisis: the private sector has donated amounts ranging from US\$30,000–50,000. According to the interviewees, individual donors are more interested in funding development programs than humanitarian response.

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<sup>50</sup> Éxito (2017 April). “The little drops collected in April are for Mocoa childrens”. Retrieved in Spanish from: <http://zonacero.com/generales/las-goticas-de-abril-son-para-los-ninos-de-mocoa-anuncio-exito-80445>

## 6. Forward-looking

Recommendations from the research and interviewers include:

- **Strategic Approach.** While the humanitarian needs in Colombia remain high and are becoming increasingly complex, L/NNGOs must analyze further these needs and assess their own capacities (operational, technical) to respond. A strategic approach will be useful not only for strengthening their operational capacity, but also to negotiate with donors for funding (donor government, their network, government of Colombia).
- **Alignment to principles.** It is possible that some humanitarian funding from donor governments and the Colombian government might be affected by a political interest that diverges from humanitarian principles, notably in responding to the Venezuelan influx. L/NNGOs (and INGOs and the UN agencies) must have a clear approach and be prepared to manage such a dilemma.
- **L/NNGO coordination.** There is no coordination platform for humanitarian L/NNGOs. This space could be integrated within the humanitarian INGOs forum. It would be a strategic choice in order to discuss and define common strategies and coordination.
- **Dialogue between L/NNGOs and the Colombian State.** L/NNGOs are in the field, have a strong knowledge of the context and have flexible procedures to deploy humanitarian assistance. Nevertheless, national policies and legal rules (VAT exemption, treatment as pro-profit contractors; requirement of co-funding of 30% in case of cooperation agreement) become barriers to implement humanitarian assistance with government funding. A strategic dialogue with the government and the Colombian Congress (national legislature) is needed to change this situation.
- **Promotion of genuine partnership relations between INGOs, UN and L/NNGOs.** Despite declarations and policies of UN agencies and INGOs, many L/NNGOs still consider that their predominant relationship with UN agencies and INGOs is as a service provider rather than as a partner.
- **START Network Pooled Fund.** Joining the Start Network is an opportunity for L/NNGOs to access funding in emergencies and to demonstrate to other donors their capacities; the Start Fund also needs to open up direct funding to L/NNGOs in Colombia as seen in other countries (e.g. Bangladesh).
- **International networks:** there is a window of opportunity for those L/NNGOs linked to international networks (e.g. Plan, Save the Children, CRC, SNPS/Caritas). Being part of such international structures increases their technical capacities and strengthens their sustainability. However, attention must be paid to those L/NNGOs who are not part of these networks. Access to other funds, such as pooled funds should be facilitated for these L/NNGOs.

- **Consolidated Appeal (CAP):** despite the reluctance of Colombia for a CAP, the Venezuela crisis might be an opportunity to advocate for this funding.
- **INGOs supporting local capacities.** There are good examples of how INGOs increase the capacities of L/NNGO when carried out strategically and in a coherent approach that invests in local capacities. All humanitarian actors should have specific budgets and activities to increase local capacities.
- **Consortia integrating L/NNGOs (and INGOs).** Currently, there is no consortia in Colombia of L/NNGOs. Some of them are partners of INGOs in consortia. A consortium could be a way for L/NNGOs to cover different geographical areas and technical expertise responding to big scale emergencies and their complexity. This approach could facilitate access to some of the larger donors, although there is a long way ahead to build the capacities for a consortium. Some L/NNGOs have already an accumulated experience of working with Colombian government funding in contracts through temporary consortia.
- **Sustainability though diversifying funding is a strategy of many L/NNGOs.** Although it may diversify them from a humanitarian specialization, many L/NNGOs combine projects in development, peace or human rights, funded by international cooperation or under a form of contract of services with the State.
- **Pooled funds—CBPF.** Consideration should be given to re-opening the pooled fund. L/NNGOs commented that the CBPF was an extremely useful source of funding, in some cases the first experience of direct humanitarian funding. While annual budgets of CBPF did not exceed US\$2.8M, a new pre-assessment with potential donors should be done to explore if they are willing to maintain past commitments (both in amounts and the use of 10% of funding to support its administration).
- **Tracking systems and use of new technologies.** There are new opportunities for L/NNGOs to use new IT systems to identify needs and increase the accountability (programmatic and financial). This would overcome some of the concerns of donors.
- **Administrative costs and overhead.** It is necessary to review what expenditures should be included as administrative cost and the amount of overhead cost that any organisation requires for its sustainability. This is an analysis that should be done at donors' headquarters (International cooperation offices, UN agencies, INGO) and with the government of Colombia.

## Abbreviations:

<b>AUC</b>	<i>Autodefensas Unidas de Colombia</i> / United Self-Defences of Colombia (armed group)
<b>AECID</b>	Spanish Agency for International Development Cooperation
<b>AFE</b>	<i>Asociación de Fundaciones Empresariales</i> / Enterprises's Foundations asociation.
<b>AGC</b>	<i>Autodefensas Gaitanistas de Colombia</i> / Gaitanistas Self-Defence Forces of Colombia
<b>APC</b>	<i>Agencia Presidencial para Cooperación Internacional</i> / Presidency Agency for International Cooperation
<b>CAP</b>	Consolidated Appeal
<b>CBPF</b>	Country Based Pool Fund / <i>Fondo Canasta</i>
<b>CCAL</b>	Colombian Campaign Against LandMine (NNGO)
<b>CCONG</b>	Colombian Confederation of NGO
<b>CERF</b>	Central Emergency Relief Fund
<b>CSO</b>	Civil Society Organization
<b>CRC</b>	<i>Cruz Roja Colombiana</i> / Colombia Red Cross
<b>DIAN</b>	<i>Departamento de Impuestos y Aduanas</i> / Taxes and Toll Department (oficial)
<b>DKH</b>	Diakonie Katastrophenhilfe
<b>DREF</b>	Disasters Response Emergency Fund (IFRC)
<b>ECHO</b>	European Commission's Civil Protection and Humanitarian Aid Office
<b>ELN</b>	<i>Ejército de Liberación Nacional</i> / National Liberation Army (armed group)
<b>EPL</b>	<i>Ejército Popular de Liberación</i> / Population Liberation Army (armed group)
<b>ESAL</b>	<i>Entidad sin ánimo de lucro</i> / Non-lucrative organization
<b>ERF</b>	Emergency Relief Fund
<b>ETCR</b>	Territorial Spaces for Training and Incorporation
<b>EU</b>	European Union
<b>EUTF</b>	European Union Trust Fund
<b>FARC</b>	Fuerzas Armadas Revolucionarias de Colombia (armed group)
<b>FARC</b>	Fuerza Alternativa Revolucionaria del Común (political party)
<b>GAC</b>	Global Affairs Canada
<b>GIFMM</b>	Interagency Group on Mixed Migrants Fluxes
<b>HRP</b>	Humanitarian Response Plan
<b>ICBF</b>	Colombia Institute for Childhood Welfare
<b>ICRC</b>	International Committee of the Red Cross
<b>IDB</b>	Inter-American Development Bank
<b>IDP</b>	Internally Displaced People
<b>IMO</b>	International Migration Office

<b>JAC</b>	<i>Junta de Acción Comunal</i> / Community Action Council
<b>JRS</b>	Jesuit Refugees Services
<b>LCT</b>	Local Coordination Teams
<b>LHT</b>	Local Humanitarian Teams
<b>L/NNGO</b>	Local and National Non-Governmental Organization/s
<b>LWF</b>	Lutheran World Federation
<b>NRC</b>	Norwegian Refugee Council
<b>OECD</b>	Organization for Economic Co-operation and Development
<b>OFDA</b>	Office of the US Foreign Disaster Assistance
<b>PEP</b>	<i>Permiso Especial de Permanencia</i> / Special Permit for Permanence
<b>PRM</b>	Bureau of Population, Refugees and Migration
<b>RCM</b>	Red Cross Movement
<b>RPR</b>	Response Plan for Refugees and Migrants
<b>SIDA</b>	Swedish International Development Cooperation Agency
<b>SNPS</b>	<i>Secretariado nacional de Pastoral Social</i> / Caritas Colombia
<b>UARIV</b>	Unit for Victims Integral Assistance and Reparation
<b>UNHCR</b>	United Nations High Commissioner for Refugees
<b>UNGRD</b>	National Unit for the Management of Risk Disasters
<b>UNMPTF</b>	The UN Multi-Partner Trust Fund
<b>URV</b>	<i>Registro Único de Víctimas</i> / Victims's Official Register
<b>UXO/APM/IED</b>	Unexploded Ordnance / Anti-Personal Mine / Improvised Explosive Device
<b>VAT</b>	Value Added Tax
<b>WB</b>	World Bank
<b>WFP</b>	World Food Program

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# Ethiopia



# 1. Introduction

## Humanitarian overview

Climatic shocks and conflict have intensified in Ethiopia in recent years exhausting the coping capacity of many communities, especially for vulnerable groups such as women, children, people with disabilities and the elderly. As a result of inter-communal conflict in several pockets of the country, the number of persons displaced nearly doubled in 2018: There are 3.19 million internally displaced persons (IDPs) and IDP returnees in need of assistance, out of which 30% are in acute need. Many communities affected by drought in recent years have also yet to recover and remain highly vulnerable.<sup>51</sup>

Disease outbreaks continue to pose risks in parts of the country where there is a lack of access to safe water and sanitation coupled with poor hygiene practices with IDPs and IDP returnees particularly vulnerable. There are 3.51 million people in need of assistance in areas affected by disease outbreaks.<sup>52</sup>

Food insecurity and acute malnutrition levels are high. Communities who have suffered consecutive years of severe drought will continue to need sustained humanitarian assistance for the coming years. Women, adolescents and children are disproportionately affected, notably in securing their safety in displacement settings and accessing basic services. In total, UN OCHA estimates that 8.86 million people in Ethiopia require humanitarian and protection assistance in 2019; nearly 10% of the total population.<sup>53</sup>

## Humanitarian actors

The humanitarian landscape in Ethiopia has been shaped by the famines of 1973–74 and 1984–85 with the latter bringing a global focus on the country, triggering relief efforts from local actors, a reinforced government disaster response system and the presence of international humanitarian actors that have remained since.

Today, the humanitarian response in Ethiopia is led by the government's National Disaster Risk Management Commission (NDRMC) through the federal and regional Disaster Risk Management Technical Working Groups (DRMTWGs). UN OCHA coordinates the humanitarian response of UN agencies and NGOs in support of the Government-led humanitarian response. The current eight clusters are managed jointly with the government-led task forces (which pre-date the cluster system), in addition to regional technical and sectorial task forces and structures that extend from the federal to Kebele (village) level.<sup>54</sup> The Ethiopian government plays a major role in humanitarian response; of note it has funded 44% of the 2019 Humanitarian Response Plan

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<sup>51</sup> OCHA (March 2019), Ethiopia Humanitarian Needs Overview 2019: <https://reliefweb.int/report/ethiopia/ethiopia-humanitarian-needs-overview-2019>

<sup>52</sup> Ibid.

<sup>53</sup> Ibid.

<sup>54</sup> OCHA (2019), Ethiopia Humanitarian Response Plan (HRP): 2019 [https://reliefweb.int/sites/reliefweb.int/files/resources/2019\\_HRP\\_030719.pdf](https://reliefweb.int/sites/reliefweb.int/files/resources/2019_HRP_030719.pdf)

(HRP).<sup>55</sup> Aside from the government, the humanitarian response is dominated by UN agencies and INGOs: of the 81 humanitarian actors that are part of the 2019 HRP, only three are local or national NGOs (L/NNGOs).<sup>56</sup>

**L/NNGOs:** Formal civil society (CS) is a relatively recent development in Ethiopia. Although faith-based organisations and the Ethiopian Red Cross Society (ERCS) have been active since the 1930s, civil society organisations (CSOs) were severely restricted under the rule of the military junta (“the Derg”) from 1974–91. The first law governing both L/NNGOs and INGOs, the Charities and Societies Proclamation (commonly known as “the CS law”), was introduced in 2009<sup>57</sup> and restricted L/NNGOs from receiving more than 10% of their financing from foreign sources and engaging in human rights and advocacy work.<sup>58</sup> According to L/NNGOs and INGOs interviewed for this research, this restriction on L/NNGOs, which was only lifted in March 2019, resulted in many INGOs and UN agencies having to carry out direct implementation themselves and hindered the development of L/NNGOs. Some INGOs also left Ethiopia and L/NNGOs mainly working on human rights closed or changed focus.<sup>59</sup>

Despite the restrictive environment, CS has grown rapidly in the last 20 years: from some 300 registered L/NNGOs in 2000 to over 3,000 today.<sup>60</sup> L/NNGOs have to be registered with the Ethiopian government and are typically development focused, given that the Ethiopian government has encouraged a preference for development over humanitarian activities in the past decades<sup>61</sup>. The National Humanitarian Forum (launched in 2017 by the Consortium of Christian Relief and Development Association (CCRDA)) re-groups L/NNGOs working in the humanitarian area and currently has some 45 active members.<sup>62</sup> The National Humanitarian Forum also represents L/NNGOs on the Humanitarian Country Team.

L/NNGOs working in the humanitarian field include many faith-based local organisations working mainly in rural areas providing disaster relief and IDP assistance. These organisations tend to be part of broader church (e.g. evangelist, protestant, catholic or orthodox) or Muslim networks and have long-term partnerships with faith-based national bodies and/or INGOs. Secular L/NNGOs, often grown from grass-roots and community development initiatives, are in the majority, implementing humanitarian activities as part of UN and INGO projects. Most L/NNGOs working in the humanitarian area are small in size (with 1–5 permanent staff and annual budgets under US\$1m) with several exceptions, notably the Relief Society of Tigray (REST), that was previously the humanitarian wing of the Tigray rebel movement and has some 1,000 staff and SoS Sahel, that was an off-shoot of a UK NGO and has some 100 staff; both have multi-million dollar annual budgets.<sup>63</sup>

<sup>55</sup> As of 9 September 2019, the government of Ethiopia had contributed \$US 288.1m of \$US658m raised to date. [https://reliefweb.int/sites/reliefweb.int/files/resources/hrp\\_funding\\_overview\\_-\\_3\\_sep\\_2019.pdf](https://reliefweb.int/sites/reliefweb.int/files/resources/hrp_funding_overview_-_3_sep_2019.pdf)

<sup>56</sup> OCHA (2019), Op.Cit.

<sup>57</sup> Federal Negarit Gazette (2009): Proclamation No. 621/2009 of 2009, Charities and Societies Proclamation, 13 February 2009: <https://www.refworld.org/docid/4ba7a0cb2.html>

<sup>58</sup> International center for non-for-profit law (April 2019), Civic freedom monitor Ethiopia: <http://www.icnl.org/research/monitor/ethiopia.html>

<sup>59</sup> Amnesty International (2012), Ethiopia: The 2009 Charities and Societies Proclamation as a serious obstacle to the promotion and protection of human rights in Ethiopia, Amnesty International’s written statement to the 20th Session of the UN Human Rights Council (18 June – 6 July 2012) <https://www.refworld.org/pdfid/4fd7092f2.pdf>

<sup>60</sup> International center for non-for-profit law (April 2019), Op. Cit.

<sup>61</sup> Shifting the Power (March 2017), Research on localisation of aid-INGOs Walking the Localization Talk. CAFOD/SCIAF/Trocaire: [https://issuu.com/samydan/docs/180321\\_ingo\\_assessment](https://issuu.com/samydan/docs/180321_ingo_assessment)

<sup>62</sup> ActionAid (October 2017). A step forward as NNGOs in Ethiopia launch the first National Humanitarian Forum, Press Release: <https://reliefweb.int/report/ethiopia/step-forward-nngos-ethiopia-launch-first-national-humanitarian-forum>

<sup>63</sup> <https://www.barrfoundation.org/partners/relief-society-of-tigray-rest>; <http://www.sossahethiopia.org>

**INGOs:** There are currently an estimated 350 INGOs present in Ethiopia.<sup>64</sup> Although INGOs have traditionally focused on development activities, today many are active in the humanitarian area: the 2019 HRP has 78 international partners; the large majority of them are INGOs.<sup>65</sup> Present in Ethiopia for decades, INGOs had to adapt their operations under the previous restrictive CS law. This implied becoming implementers even if this was not their usual way of working, limiting their advocacy or any rights-based approach and reducing their investment in capacity building with local partners (the previous CS law discouraged capacity building and training by INGOs for L/NNGOs).

**UN agencies:** All major UN agencies working in the humanitarian field are present in Ethiopia.<sup>66</sup> Their focus has been mainly on emergency food and non-food assistance working with a range of partners, often government, INGOs and L/NNGOs to a lesser extent. For example, UNHCR currently works with some 54 operational partners, a mixture of government services, INGOs and L/NNGOs: according to its 2019-20 budget it currently funds directly four L/NNGOs (other L/NNGOs are funded via INGO intermediaries).<sup>67</sup> UN agencies have also faced similar restrictions as INGOs impacting on their ability to work with L/NNGOs.

As a consequence of the above contextual and historic factors, INGOs and UN agencies have a far greater role than L/NNGOs in humanitarian response in Ethiopia compared to other neighbouring contexts.<sup>68</sup>

**Red Cross and Red Crescent Movement:** The ERCS, established in 1935, has a network of branches across the country including 6,800 volunteer committees at the Kebele level.<sup>69</sup> As an auxiliary to the public authorities in the humanitarian field and established by a government decree, the ERCS is not governed by the above-mentioned CS law. The ERCS is supported by the International Federation of Red Cross and Red Crescent Societies (IFRC), partner National Societies and the International Committee of the Red Cross (ICRC) which has a delegation in Ethiopia assisting those affected by conflict.

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<sup>64</sup> Based on 2014 statistics: CSF II/CSSP (2014). Non-State Actors in Ethiopia—Update Mapping—Final Report: <https://csf2.org/sites/default/files/NSA%20Update%20Mapping%20Report%20-%2028%20February%202015.pdf>

<sup>65</sup> OCHA (2019), Op.Cit.

<sup>66</sup> Including: FAO, IOM, OCHA, OHCHR, UNHCR, UNICEF, UNPF, UN Women, WFP & WHO.

<sup>67</sup> L/NNGOs listed as funded are: Action for Social Development and Environmental Protection Organization; Action for the Needy in Ethiopia; African Humanitarian Aid and Development Agency; Ethiopian Orthodox Church Development and Interchurch Aid Commission Refugee and Returnee Affairs Department. UNHCR (2019), Ethiopia Refugee Response Plan, January 2019 – December 2020, p. 51: <http://reporting.unhcr.org/sites/default/files/2019-2020%20Ethiopia%20Country%20Refugee%20Response%20Plan%20%28February%202019%29.pdf>

<sup>68</sup> For example; in Ethiopia HRP 2019; 4% of partners are L/NNGOs (3 of 81 partners); in Somalia HRP 2019: 69% of partners are L/NNGOs(159 of 231 partners); in South Sudan HRP 2019: 57% of HRP partners are L/NNGOs (105 of 183 partners); [https://reliefweb.int/sites/reliefweb.int/files/resources/2018\\_somalia\\_hrp\\_final\\_draft\\_18122017\\_0.pdf](https://reliefweb.int/sites/reliefweb.int/files/resources/2018_somalia_hrp_final_draft_18122017_0.pdf); [https://reliefweb.int/sites/reliefweb.int/files/resources/south\\_sudan\\_humanitarian\\_response\\_plan\\_2019\\_final.pdf](https://reliefweb.int/sites/reliefweb.int/files/resources/south_sudan_humanitarian_response_plan_2019_final.pdf)

<sup>69</sup> <https://www.redcrosseth.org/who-we-are/where-we-work>

## 2. Current financing solutions

### How do local actors access humanitarian financing?

Based on the research and interviews for this case study, it can be concluded that the high majority of humanitarian funding for L/NNGOs currently comes from INGOs and UN agencies as implementing sub-contractors or partners.

**Direct international funding:** Very few opportunities were identified in Ethiopia for L/NNGOs to receive direct international humanitarian funding. Funds tend to pass through an intermediary such as a UN agency or/and INGO. To date, three L/NNGOs<sup>70</sup> have received direct funding from the UN OCHA Country Based Pooled Fund, the Ethiopia Humanitarian Fund (EHF); obstacles for other L/NNGOs in accessing the EHF are discussed below. Examples provided by L/NNGOs of direct funding, from sources such as EU, World Bank or donor governments, were in the development, climate change or institution capacity building areas that had provided indirect support for their humanitarian work (see further below).

**Funding through INGOs and UN agencies:** The largest funding source for L/NNGOs is from INGOs and UN agencies as implementing sub-contractors or partners, due to the contextual and historic reasons described above. For many development and humanitarian focused L/NNGOs this can represent 100% of their income with L/NNGOs often working with multiple INGOs and UN agencies on different projects. For example, the L/NNGO Rift Valley Children and Women Development Association (RCWDA) reported working with five INGOs<sup>71</sup> in addition to the World Bank and an environmental consortium in recent years.

According to both INGOs and L/NNGOs interviewed, funding availability implied that financial support was often project-driven (between 3–12 months duration) with limited funds available to cover overheads and other ongoing costs. As L/NNGOs are mainly active in the development field, it is this funding that supports the organisations in sustaining themselves over the long term. Very few UN agencies and INGOs were seen as having a longer-term partner-led approach to working with L/NNGOs. ActionAid was an example that established partnerships (for development initially and later humanitarian activities) with L/NNGOs for up to ten years and provided some funding to cover ongoing costs. Norwegian Church Aid (NCA) established multi-year partnerships with faith-based L/NNGOs as longer-term commitments including mutual accountability and support with funding linked to operational projects.<sup>72</sup> There were no humanitarian funding opportunities prioritizing women-led organisations and/or responses that could be identified by this research.

**Funding through pooled funds:** As mentioned above, three L/NNGOs have received funding through the EHF with other L/NNGOs not able to access the funding. The ERCS has received

<sup>70</sup> SOS Sahel; REST and Mothers and Children Multi-sectoral Development Organization (MCMDO). The ERCS is also eligible but is yet to receive funding.

<sup>71</sup> Concern international, Oxfam GB, Oxfam Spain, HelpAge international, ActionAid.

<sup>72</sup> Norwegian Church Aid (undated), Partnership Policy.

funding from the IFRC-led Disaster Response Emergency Fund (DREF); in 2018, it received some US\$340,000 (CHF 338,631) for an IDP humanitarian response.<sup>73</sup>

Some INGOs make funds available to L/NNGOs from **rapid response funds** (RRF), including the Danida RRF accessible for L/NNGO partners of Danish Church Aid; the RRF of the ACT Alliance available to L/NNGO members in Ethiopia; Catholic Relief Services (CRS) has emergency funds (up to US\$20,000) available for mainly faith-based L/NNGO partners in Ethiopia.

The **Start Fund** is active in Ethiopia; since 2015, it has provided grants for rapid response to the value of some US\$3.5m (GBP 2,846,077); all grants have gone to INGOs as lead agencies (L/NNGOs could have been sub-grantees although no details were available).<sup>74</sup>

**Funding from the State:** Funding available for L/NNGOs from the authorities was mainly available in the development area, for example financial support from regional governments for development activities.<sup>75</sup> The ERCS received financial support from the authorities for their ambulance service and to cover some core costs.

Funding for climate change, institution building or development activities: As mentioned above, the sustainability of L/NNGOs was directly supported by this type of funding that indirectly supported their ability to carry out humanitarian activities. Key funding sources reported by L/NNGOs where direct funding was available included:

- World Bank Ethiopian Social Accountability Programme; from 2006 until 2018, some 140 CSOs were supported across Ethiopia who acted as intermediaries to facilitate the use of social accountability tools between service providers and users.<sup>76</sup>
- EU-funded CS Fund: launched in October 2012 with a total budget of some US\$13m (12m Euro) to increase CSOs capacity to engage in governance and development activities. Grants are on average from US\$165,000 to US\$220,000 (150,000 to 200,000 Euros).<sup>77</sup>
- CS Support programme: funded by UK, Ireland, Sweden and Norway. Between October 2018 and February 2019, grants with a total value of some US\$1m (£843,949) were awarded to CSOs.<sup>78</sup>
- USAID Local Capacity Development: more than 100 CSOs participated in this five-year programme (completed in 2019) and were awarded a total of 246 grants worth some US\$21m (616m Ethiopian birr) to implement projects.<sup>79</sup>
- Irish Aid Climate Action: in 2015, Irish Aid provided funding of some US\$1.1m (1m Euros) funding to the L/NNGO SOS Sahel and NGO partners (Self Help Africa, Farm Africa and VITA) to rehabilitate the environment around Lake Hawassa.<sup>80</sup>

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<sup>73</sup> IFRC (2019). DREF Annual Report: <http://adore.ifrc.org/Download.aspx?FileId=237746>

<sup>74</sup> <https://startnetwork.org/start-fund/alerts>

<sup>75</sup> CSF II/CSSP (2014), *Op. Cit.*

<sup>76</sup> World Bank (June 2019), Implementation Completion and Results Report, Ethiopia Promoting Basic Services Program Phase III Project (P128891): <http://documents.worldbank.org/curated/en/991331561645897187/pdf/Ethiopia-Third-Phase-of-Promoting-Basic-Services-Project.pdf>

<sup>77</sup> <https://csf2.org/>

<sup>78</sup> <https://ethiopia.britishcouncil.org/programmes/society/civil-society-support-programme/about>

<sup>79</sup> <https://www.usaid.gov/ethiopia/news-information/press-releases/us-investments-help-ethiopian-civil-society-organizations>

<sup>80</sup> <https://www.irishaid.ie/news-publications/news/newsarchive/2015/november/irish-aid-supports-restoration-of-lake-hawassa/title-155546-en.htm>

## Key factors that influence the ability of local actors to access humanitarian financing

According to stakeholder discussions with donors, UN OCHA and INGOs, the following factors have influenced decisions on whether to provide financing to L/NNGOs:

- The ability of L/NNGOs to carry out humanitarian activities that have largely been limited to short-term food and non-food assistance requiring logistics and considerable field presence of L/NNGOs.
- Knowledge of local context and access to networks and local partners.
- Familiarity with the local government structures that can facilitate the humanitarian responses.
- The availability of financial and administrative systems within L/NNGOs to facilitate accountability and compliance requirements.
- Experience as a longer-term partner for an INGO and/or UN agency.
- Presence and commitment at the community/grassroots level where the humanitarian crises prevail.

## Barriers for local actors to use and access humanitarian financing

A number of barriers that impacted on the ability of L/NNGOs to access humanitarian funding in Ethiopia were identified including:

- **Previous restrictive legal environment:** The previous CS law, replaced only in March 2019, significantly restricted the ability of L/NNGOs to accept foreign funding and work on human rights, advocacy and invest in capacity building. Although the new law is more progressive, its full implications are not yet known (guideline for the new law are foreseen—see further below).
- **Foreign currency account:** the main criteria that excluded L/NNGOs from receiving EHF funding was that they did not have a foreign currency bank account. According to L/NNGOs this is currently not allowed by the National Bank of Ethiopia and for those few L/NNGOs that have a foreign currency account this is due to historical or other unknown reasons. Of note, L/NNGOs received direct funding from the World Bank and EU for development activities without needing a foreign currency account.
- **Short-term nature of humanitarian funding:** As described above, the large majority of funding available to L/NNGOs through intermediaries such as INGOs and UN agencies was on a short-term project basis (3–12 months) that limited their ability to develop sustainable humanitarian activities, systems, structures, and procedures.
- **Repetitive compliance requirements:** L/NNGOs, often working with multiple INGO and UN partners, had to carry out different compliance requirements for each of their international partners, which was burdensome for the smaller organisations, also considering that compliance checks were not mutually recognised by international partners.
- **Donor preference for working with INGOs and UN agencies:** because of historical and contextual factors described above, donors have tended to favour funding projects led by INGOs and UN agencies, either individually or in consortia (where L/NNGOs were often sub-contractors). This has led to INGOs and UN agencies implementing field activities, and “*occupying our space*” as one L/NNGO representative put it. For capacity and administrative reasons, donors also preferred to work with consortia rather than managing multiple contracts,



which also reduced the donors' exposure to risk. L/NNGO thought that donors perceived them as having insufficient capacities and experience to manage humanitarian responses.

- **Cluster/taskforce led humanitarian response:** The Ethiopian humanitarian system is largely managed through sectorial based cluster/task forces where funding opportunities are discussed and made available. L/NNGOs reported difficulties in attending cluster/taskforce meetings due to limited staff capacity and therefore felt they were missing out on possible funding opportunities.
- **Insufficient commitment of donors, INGOs and UN agencies to building and using the humanitarian capacity of L/NNGOs:** Positive examples were seen of long-term partnerships between INGOs and L/NNGOs and the above-mentioned CS funding strengthened the overall capacity of L/NNGOs. The Start Network project "Shifting the Power" (2015–2018) was also mentioned by L/NNGOs as strengthening both their voice and capacity. However, L/NNGOs thought that these efforts overall were insufficient in building their capacity and specifically in providing funding to use any capacity or skills developed for humanitarian response.<sup>81</sup>

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<sup>81</sup> A limitation identified by the final external evaluation of the Shifting the Power project was that it did not provide a funding stream for L/NNGOs to carry out humanitarian response: Start Network, (April 2018), Shifting the Power, End of Project Evaluation: [https://www.owlre.com/wp-content/uploads/2018/08/stp\\_eval\\_report\\_FINAL.pdf](https://www.owlre.com/wp-content/uploads/2018/08/stp_eval_report_FINAL.pdf)

## 3. Legal and policy environment

### In-country laws and policies

The key relevant law that governs CS including L/NNGOs and INGOs in Ethiopia is the CS law of March 2019<sup>82</sup> which replaced the previous 2009 law. The CS law is managed by the Civil Society Organizations Agency, previously known as the Federal Charities and Societies Agency. The 2019 law lifts many of the restrictions of the 2009 CS law that Amnesty International reported “*had a devastating impact on human rights NGOs in Ethiopia*” given the restrictions placed on L/NNGOs in receiving foreign funding.<sup>83</sup> The foreign funding rule has been relaxed under the new law with L/NNGOs having the possibility to raise funds from “*any legal source*” (article 63.c) (limitations are placed on income-generation activities—see further below).

Administrative costs are set at 20% of total income and 80% for operational/program costs. Under the previous law, any costs related to training and capacity building had to be considered as administrative costs; under the new law it is anticipated that these costs and other project costs can be included in the 80%.

Under the new law, both INGOs and L/NNGOs are no longer prohibited from engaging in advocacy and human rights work. On the contrary, the new law specifically encourages INGOs and L/NNGOs to engage in advocacy and lobbying with regard to laws and policies related to activities they are carrying out. The new law supersedes the eight directives implementing the law although as of September 2019 they are yet to be replaced with new directives. The new law has been praised by UN human rights experts but also criticized for the broad investigative powers it gives to the Civil Society Organizations Agency, in addition to the mandatory registration and burdensome auditing obligations for L/NNGOs.<sup>84</sup> The new law was the result of a decade’s work by CS including CCRDA, INGOs, academics and politicians to encourage the government to reform the previous restrictive law.

Disaster risk management /disaster risk reduction is incorporated in most of the major national policies, plans and frameworks in place in Ethiopia, given the multi-sectoral approach of the Ethiopian government.<sup>85</sup> The National Disaster Risk Management Policy and Strategy was issued in 2013 and has been implemented since then.<sup>86</sup> This policy underpins the need for decentralization of disaster management to local levels, especially in areas that are highly vulnerable to natural or manmade disasters. Some of the provisions of the policy include:

<sup>82</sup> Federal Negarit Gazette (2019), Organizations of Civil Societies Proclamation No.1113/2019: <https://www.abysinialaw.com/uploads/1113.pdf>

<sup>83</sup> Amnesty International (2012), Op. Cit., p.2.

<sup>84</sup> UN Human Rights (April 2019), Ethiopia: UN experts commend civil society law reforms, but concerns remain. <https://reliefweb.int/report/ethiopia/ethiopia-un-experts-commend-civil-society-law-reforms-concerns-remain>

<sup>85</sup> IFRC (2013). Ethiopia: Country Case Study Report: How Law and Regulation Supports Disaster Risk Reduction: [https://www.preparecenter.org/sites/default/files/ethiopia\\_drr\\_law\\_case\\_study.pdf](https://www.preparecenter.org/sites/default/files/ethiopia_drr_law_case_study.pdf)

<sup>86</sup> Federal Democratic Republic of Ethiopia (July 2013), National policy and strategy on disaster risk management; <https://www.refworld.org/pdfid/5a2689ea4.pdf>

- An effective disaster risk management requires identification and assignment of the roles and responsibilities at each level of government and also that of stakeholders at all levels through realization of a decentralized system.
- Measures need to be taken to establish and strengthen preparedness capacities at national, federal lead sectoral institutions, regional, zonal, *woreda*, *kebele*, CSOs, community, and individual levels.

The policy promotes local actors and CSOs in engaging in humanitarian responses and this in turn requires local actors to have access to humanitarian funding for their engagement in humanitarian responses.

### Donor country laws and policies

With the exception of ECHO (requiring direct recipients of its funding to be based in an EU Member State), no specific laws or policies of donor countries could be identified that restricted the direct financing of L/NNGOs in Ethiopia. As previous studies have highlighted, counter-terrorism and anti-money laundering regulations of donor governments have to be taken into account when funding L/NNGOs (or INGOs and UN agencies partnering with them), particularly those active in conflict areas.<sup>87</sup>

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<sup>87</sup> Majid, S & Abdirahman, K & Poole, L & Willitts-King, B (2018). Funding to local humanitarian actors- Somalia case study. ODI/HPG. <https://www.odi.org/sites/odi.org.uk/files/resource-documents/12468.pdf>; Patel, S. & Van Brabant, K. (2017). The Start Fund, Start Network and Localisation Global Mentoring Initiative. Start Network. <https://start-network.app.box.com/s/3hs09ryakami7n8hjliaruaw9ycir4r>

## 4. Country-based pooled funds

Established in 2006, the EHF has allocated US\$538.8m to 884 projects through 59 partners to date. However, only three of these partners receiving direct funding have been L/NNGOs.<sup>88</sup> In 2018, 61% of total grants (US\$51.4) were allocated to INGOs; 36% (US\$30.5m) to UN agencies; 3% (2.7m) to L/NNGOs. These 3% of grants were allocated to one L/NNGO, Mothers and Children Multi-sectoral Development Organization (MCDMO), for 12 projects primarily on nutrition and health.<sup>89</sup>

L/NNGOs are often listed as sub-grantees for EHF grants; since 2006, more than 20 L/NNGOs have received funding as sub-grantees of INGOs and UN agencies. However, as sub-grantees they receive relatively small funds; in 2018 out of US\$84.7 of total grants, only 2.6% (US\$2.2m) went to L/NNGOs as sub-grantees. By comparison, INGOs as sub-grantees received 7.2% (US\$6.1m).<sup>90</sup> The lead grantee is allowed to allocate 7% of funds received to cover overheads. However, it is up to their discretion as to whether this 7% allocation is passed on to sub-grantees. According to L/NNGOs who have been sub-grantees, this varied from grant to grant, depending upon the INGO or UN agency who was the lead grantee.

Since 2006, only four L/NNGOs have qualified to receive direct grants from the EHF as described above. According to the EHF and the L/NNGOs, the main obstacle for an L/NNGO qualifying for an EHF grant is the requirement to have a foreign currency bank account (as described above). The EHF has been active in promoting the fund to L/NNGOs and aims to have at least seven L/NNGOs qualify for EHF grants by 2020. As of 2018, the L/NNGO MCDMO represented L/NNGOs on the EHF Strategic Advisory Board, one of 11 seats (1-Humanitarian Coordinator; 1-OCHA; 2-INGOs, 2-UN; 4-donors- 1-L/NNGO).

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<sup>88</sup> <https://www.unocha.org/ethiopia/about-ehf>

<sup>89</sup> OCHA (2019): Ethiopia Humanitarian Fund, Annual Report 2018. [https://www.unocha.org/sites/unocha/files/Ethiopia%20HF%20Annual%20Report%202018\\_0.pdf](https://www.unocha.org/sites/unocha/files/Ethiopia%20HF%20Annual%20Report%202018_0.pdf)

<sup>90</sup> Ibid.

## 5. Domestic resource mobilization

Ethiopia has limited experience in domestic resource mobilization with a tendency for international, local and national actors to seek funding from external sources outside of the country, according to L/NNGOs and INGOs interviewed for this research. Nevertheless, examples were seen where domestic fundraising had been successful. Further, Ethiopia has a rich history and tradition of membership-based voluntary and community organisations.<sup>91</sup>

For example, ERCS reported that in 2018 they had raised locally some \$US610,000 (18 million Ethiopian Birr) to support its humanitarian activities for IDPs. Faith-based L/NNGOs also reported raising funds and collecting non-food items through their parishes. For example, the L/NNGO Terepeza Development Association (TDA) reported raising some US\$7,000 (200,000 Ethiopian Birr) from parishes and collected clothes to support victims of a landslide in the Southern Nations, Nationalities and People's Region (SNNPR) in 2018.

**Volunteering:** L/NNGOs indicated that many citizens support their organisations by volunteering, to support emergency response or regular services; the ERCS reported in 2019 having 47,000 volunteers across the country.<sup>92</sup>

**Membership:** some L/NNGOs generate income from membership contributions. For example, the Tigray Women's Association, reported that in 2014 they collected US 35 cents (10 Ethiopian Birr) per person per year for membership fees from some 700,000 members. This would amount to an annual income of some US\$238,000 (7m Ethiopian Birr).<sup>93</sup> In 2019, ERCS reported some 6.1m members who also pay US 35 cents per person per year, which would amount to over US\$2m annual income from membership.<sup>94</sup>

**Participation of the private sector:** the participation and experience of the private sector in providing supports for humanitarian response is limited and underdeveloped according to L/NNGOs. Private companies are concerned if they start funding L/NNGOs they may be overwhelmed by requests. The private sector in Ethiopia also has limited experience in corporate social responsibility and allocating budget for these activities.

The main barrier seen in relation to domestic resource mobilization was cultural in that Ethiopians were not used to giving to local organisations to support development or humanitarian activities. In addition, most L/NNGOs have limited domestic resource mobilization experience. To establish income-generation activities, the 2009 CS law required L/NNGOs to set up a separate business entity, as does the new 2019 CS law, effectively discouraging L/NNGOs from pursuing this fundraising possibility.<sup>95</sup> ERCS does conduct several income-generation activities, such as training centres, but they are not governed by the CS law.

<sup>91</sup> CSF II/CSSP (2014). Op. Cit; Clark, J. (2000). Civil Society, NGOs, and Development in Ethiopia. A Snapshot View. World Bank. <http://siteresources.worldbank.org/INTRANETSOCIALDEVELOPMENT/873204-1111663470099/20489508/CSandDevEthiopiaSnapshotView.pdf>

<sup>92</sup> <https://www.redcrosseth.org/get-involved/be-a-volunteer>

<sup>93</sup> CSF II/CSSP (2014). Op. Cit., p. 82

<sup>94</sup> <https://www.redcrosseth.org>

<sup>95</sup> Federal Negarit Gazette (2009), Op.Cit. Article 103; Federal Negarit Gazette (2019), Op.Cit. Article 64.

## 6. Forward-looking

The localization agenda, the reformed CS law and the more open and progressive environment for L/NNGOs provides an opportunity to readdress the imbalance seen in Ethiopia for humanitarian response. Following are suggestions based on this research to facilitate direct financing for L/NNGOs:

- **Donor governments, UN agencies and INGOs** should reinforce their commitments for localization of humanitarian response in Ethiopia by empowering L/NNGOs through capacity building and establishing long-term partnership—but also importantly facilitating the possibility for L/NNGOs to put into practice the capacity built through genuine participation in emergency responses with direct funding.
- **Donor governments** should make more direct humanitarian funding available to L/NNGOs in Ethiopia, with specific funding quotas or mechanisms for women-led and women-run organisations (WLO/WROs).
- **Donor governments** should recognize that L/NNGOs in Ethiopia are development and humanitarian actors and explore how funding can be more flexible and support equally or alternatively these two areas of work for L/NNGOs.
- **INGOs and UN agencies** should move away from providing short-term humanitarian financing (3-12 months) and establish longer-term partnerships with L/NNGOs (up to 3 years) and contribute to human resources and core costs of L/NNGOs (see examples of ActionAid and NCA).
- **INGOs and UN agencies** should provide their longer-term L/NNGOs partners in Ethiopia with access to a RRF that they can quickly access (7 days timeframe) (examples of ACT Alliance RRF; CRS partner funds; Danish Church Aid Danida RRF; IFRC DREF).
- **The EHF** should eliminate the requirement that L/NNGOs require a foreign currency bank account in order to be eligible for funding (or alternatively the National Bank of Ethiopia should allow L/NNGOs to open such accounts); EHF should ensure that 7% of programme support costs (overheads) are passed on to L/NNGOs sub-grantees by INGO/UN lead grantees; EHF should consider a specific funding stream for WLO/WROs.
- **The Start Network** in Ethiopia should be open to direct funding to L/NNGOs, as seen in other countries (e.g. Bangladesh).
- **L/NNGOs** should be supported with capacity building support in **domestic resource mobilization**, possibly by experienced local actors, such as the ERCS.
- L/NNGOs should explore further the funding possibilities of the **climate change, development and institutional building funding streams** offered by the World Bank, EU and others that will strengthen their capacity and flow over into their humanitarian activities.

- **The Civil Society Organizations Agency** should work further with L/NNGOs and INGOs to ensure that the new directives of the 2018 CS law facilitate direct humanitarian funding for L/NNGOs.
- **The L/NNGOs** should invest further in their capacities in financial management, logistics procurement and domestic resource mobilization.

## Abbreviations:

<b>CCRDA</b>	Consortium of Christian Relief and Development Association
<b>CRS</b>	Catholic Relief Services
<b>CS</b>	Civil society
<b>CSOs</b>	Civil society organisations
<b>DREF</b>	Disaster Response Emergency Fund (of IFRC)
<b>DRMTWGs</b>	Regional Disaster Risk Management Technical Working Groups
<b>EHF</b>	Ethiopia Humanitarian Fund
<b>ERCS</b>	Ethiopian Red Cross Society
<b>HRP</b>	Humanitarian Response Plan
<b>ICRC</b>	International Committee of the Red Cross
<b>IFRC</b>	International Federation of Red Cross and Red Crescent Societies
<b>IDPs</b>	Internally displaced persons
<b>MCMDO</b>	Mothers and Children Multi-sectoral Development Organization
<b>NCA</b>	Norwegian Church Aid
<b>NDRMC</b>	National Disaster Risk Management Commission
<b>REST</b>	Relief Society of Tigray
<b>WLO</b>	Women-led organisations
<b>WRO</b>	Women



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# Ukraine



# 1. Introduction

## Humanitarian overview

Five years since the eruption of the conflict in eastern Ukraine, 5.2 million civilians continue to be exposed to the consequences of what can now be termed a protracted crisis. Violations of the ceasefire agreement<sup>96</sup>, in the form of shelling and sniper fire, are a near daily fact of life for those living near the 427-km-long contact line which has split the Donbas region in two. The contact line and its surrounding area (which is heavily populated and where civilians and military intermingle and live in dwellings side-by-side) is riddled with landmines and other unexploded ordnance making Ukraine one of the most mine-affected countries in the world.<sup>97</sup> One side of the contact line is government controlled, whilst to the east of the line lies the non-government controlled area (NGCA).

The contact line has forced a physical, economic and social separation between the government-controlled area (GCA) and the NGCA, disrupting livelihoods and markets, and causing untold difficulty for those who need to cross it. In spite of the severe restriction of movement imposed by the contact line, crossings through the five official checkpoints increased by 15% in 2018 compared to 2017—an average of 1.1 million crossings each month—over half of which were made by the elderly (those aged over 60). For pensioners living in the NGCA, accessing their pension entitlement is a real challenge as the Government of Ukraine (GoU) regularly introduces additional amendments to the verification procedures.<sup>98</sup> In fact, the conflict has a unique and disproportionate impact on the elderly, with some 30% of the 3.5 million in need above the age of 60.<sup>99</sup> According to the 2019 Humanitarian Response Plan (HRP) this is the largest proportion of elderly affected by conflict in the world.

Over 3,000 civilians have lost their lives to the conflict since 2014<sup>100</sup> and more than 1.4 million people have been registered by the Ministry of Social Policy as internally displaced persons (IDPs).<sup>101</sup> Levels of human suffering as a result of the conflict are high, particularly for those who live on or close to the contact line.

## Humanitarian actors

Although somewhat fragmented, there is a long-standing and dynamic Ukrainian civil society. Civil society organisations (CSO) have historically focused on democracy; local development; youth; and media. There are more than 29,000 CSOs in the country and according to the Ukrainian Statistics Agency, in 2017 together they received some US\$285m for their work (see

<sup>96</sup> The Minsk Agreements (Minsk II) were drawn up in 2015

<sup>97</sup> <https://www.unhcr.org/uk/news/stories/2019/4/5ca200c04/clearing-landmines-ukraine-careful-step-time.html>

<sup>98</sup> Humanitarian Need Overview 2019 [https://www.humanitarianresponse.info/sites/www.humanitarianresponse.info/files/documents/files/ukraine\\_2019\\_humanitarian\\_needs\\_overview\\_en.pdf](https://www.humanitarianresponse.info/sites/www.humanitarianresponse.info/files/documents/files/ukraine_2019_humanitarian_needs_overview_en.pdf)

<sup>99</sup> [https://www.humanitarianresponse.info/sites/www.humanitarianresponse.info/files/documents/files/ukraine\\_2019\\_humanitarian\\_response\\_plan\\_en.pdf](https://www.humanitarianresponse.info/sites/www.humanitarianresponse.info/files/documents/files/ukraine_2019_humanitarian_response_plan_en.pdf)

<sup>100</sup> Ibid

<sup>101</sup> Ministry of Social Policy <https://www.msp.gov.ua/timeline/Vnutrishno-peremishcheni-osobi.html>

below in relation to domestic resource mobilization)<sup>102</sup>. It is hard to identify how many of these organisations have a humanitarian remit as there is no such classification in Ukrainian legislation and many of them implement a wide variety of activities. Private philanthropic organisations such as the Akhmetov Foundation, church groups, organisations supporting the handicapped and their families, and orphanages, comprised the bulk of Ukraine's charity sector prior to the conflict, and many had a long history of receiving international grants, as well as locally raised funds.

The first responders when violence and conflict broke out in 2014 were civilians. They provided spontaneous in the form of food and non-food assistance to both affected civilians and the military. Some charitable and CSOs also refocused their work to provide support to those affected by the conflict. Some transitioned into more organised groups in the east of the country, operating at a small scale and at a local level.

According to the CHS Alliance Mission to Ukraine report, as of June 2015 many of the national staff working on the response had less than one-year of experience in emergency operations and did not therefore have the necessary knowledge and experience to effectively run projects and programmes.<sup>103</sup> In addition, their lack of experience and knowledge and their application of humanitarian standards was limited, if not non-existent. Indeed, adhering to the principles of neutrality and impartiality is still challenging for a number of L/NNGOs in Ukraine and during the recent parliamentary elections, examples of heads of L/NNGOs running for Parliament (e.g. Vostok/East-SOS; Krym/Crimea-SOS) could be seen.

Although some UN agencies and international non-governmental organisations (INGOs) were present in Ukraine before the conflict, their focus had been on longer-term development work. When the conflict started in 2014, the cluster system was activated and the number of international aid agencies rose significantly with a focus on humanitarian response. The cluster system operates from a national level (in Kyiv) as well as in the field (Kramatorsk/Sloviansk, Mariupol (Donetsk oblast) and Severodonetsk (Luhansk oblast)). Before 2016 coordination meetings were also held in those oblast centers where the majority of IDPs were located (Kharkiv, Dnipropetrovsk/Dnipro, Zaporizhzhia).

Today, the 2019 Humanitarian Response Plan (HRP) indicates that 138 organisations are providing humanitarian assistance in Ukraine.<sup>104</sup> This is a reduction from 2017 when some 181 organisations were active. A total of 43 of these organisations are seeking funding from the 2019 HRP of which 12 are L/NNGOs.

Outside the HRP, the International Red Cross and Red Crescent Movement (RCM) is represented in Ukraine by the Ukraine Red Cross Society (URCS) which is supported by the International Federation of Red Cross and Red Crescent Societies (IFRC); the International Committee of the Red Cross (ICRC); and a number of Partner National Societies.

Categorizing organisations providing humanitarian assistance into INGOs and L/NNGOs is complex in Ukraine. Many INGOs have registered offices in the country which give them the status of a local organisation in order to be able to implement and receive funding (e.g. ADRA; Caritas Ukraine; HelpAge). At the same time, there are examples of INGOs creating independent

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<sup>102</sup> Activities of Civil Society Organizations in 2017 [http://ukrstat.org/uk/druk/publicat/kat\\_u/2018/zb/07/zb\\_go\\_2017.pdf](http://ukrstat.org/uk/druk/publicat/kat_u/2018/zb/07/zb_go_2017.pdf)

<sup>103</sup> CHS Alliance Mission to Ukraine report, 2015 [https://www.chsalliance.org/files/files/Deployments/CHS-Alliance\\_Mission-to-Ukraine-report-2015.pdf](https://www.chsalliance.org/files/files/Deployments/CHS-Alliance_Mission-to-Ukraine-report-2015.pdf)

<sup>104</sup> This does not represent the total number of L/NNGOs that are active—just those included in the HRP.

L/NNGOs as seen with Right to Protection (R2P). R2P came into existence as the operational successor to the representative office of the INGO HIAS, which began working with refugees in Ukraine in 2001. In 2013 HIAS registered R2P as a local NGO and R2P now exists alongside a HIAS representative office called HIAS Kyiv. Since 2014 R2P has responded to displacement issues (which are outside of the HIAS mandate). However, R2P has relied on HIAS's corporate governance and audit through 2017, despite having local leadership and decision-making capacity since 2014.

The Ukraine NGO Forum is registered as an L/NNGO. It was launched in 2015 with ECHO's support as a project of Save the Children, Danish Refugee Council and People in Need focusing on both humanitarian and development actors. The Forum was created in an effort to facilitate information-sharing; support the coordination of INGOs and L/NNGOs (through representing them at the Humanitarian Country Team and the Inter Sector Coordination Group; provide capacity building support to its members; and to focus on advocacy initiatives). The Forum was registered to be able to apply for funding by itself in 2016. However, it has struggled to engage with local actors as all meetings were held in English. In addition, L/NNGOs had difficulty in understanding the need for this additional coordination platform on top of the cluster system. These challenges were compounded by the fact that the Forum is based in Kyiv as opposed to where operational activities were taking place. At the time of writing, the Ukraine NGO Forum is struggling with managerial issues and its activities are on hold.

The operational ability of international actors and L/NNGOs is further complicated by the diversity of needs in the area affected by conflict—ranging from ongoing humanitarian needs to the east of and in proximity to the control line, combined with a transition to more development-focused activities in the GCA further from the control line. Any talk of development in the NGCA is absolutely rejected by the GoU and indeed, any talk of development in a middle-income country like Ukraine is in itself questioned. In addition, in order to operate in the NGCA, where humanitarian needs are amongst the highest, since July 2015 both international and national actors have been required to obtain accreditation.

L/NNGOs have faced similar access challenges as international actors with inconsistent and restricted ability to reach those in need, particularly in the NGCA. When the accreditation system was introduced in June 2015 many local actors formed informal community level groups which could bypass the system. This only allowed for the implementation of small-scale humanitarian activities (which many saw as positive as it allowed them to avoid attention) combined with reports that local groups would use bribes in order to gain access in both the GCA and NGCA.<sup>105</sup>

International agencies and L/NNGOs have developed different ways of working in relation to the conflict. Initially, many international actors implemented activities directly (sometimes as implementing partners of the UN) in part due to the lack of experience and capacity of their local counterparts. Over time however, L/NNGOs have become implementing partners, bringing with them their contextual knowledge and skills. In addition, a small number of L/NNGOs have been able to directly access humanitarian financing (see further below), sometimes in their own right and sometimes by being part of a consortium. An example of the latter can be seen in the European Union-funded ACCESS Consortium, a grouping of three INGOs, two L/NNGOs and IMPACT Initiatives.<sup>106</sup>

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<sup>105</sup> <https://www.odi.org/sites/odi.org.uk/files/resource-documents/11746.pdf>

<sup>106</sup> The consortium is composed of People in Need (PIN); Medicos del Mundo (MDM); Agence d'Aide a la Co-operation Technique Et au Developpement (ACTED); Right to Protection (R2P); the Ukraine NGO Forum; and IMPACT Initiatives.

## 2. Current financing solutions

### How do local actors access humanitarian financing?

In 2019, accessing humanitarian financing in Ukraine is increasingly difficult for all actors whether the UN, INGOs, L/NNGOs or the RCM. The 2018 HRP was 37% funded and less than half of the targeted 2.3 million beneficiaries were actually reached.<sup>107</sup> Since the first Preliminary Response Plan in 2014, which according to discussions with OCHA was 130% funded, there has been a gradual decrease in coverage (combined with a reduction in the amount of funding being sought). Discussions with stakeholders highlighted that there may be a difference between sectors, in part linked to a move from a humanitarian response to a combined response encompassing humanitarian activities (in the NGCA and along both sides of the contact line) and transitioning into recovery and development activities in the GCA. Donors also highlighted that a reduction in humanitarian financing is linked to competing priorities elsewhere in the world.

Since 2014, the main avenue for L/NNGOs to access financing for their humanitarian work has been to act as an implementing partner for an INGO or the UN. As noted above, initially INGOs tended to directly implement their activities or were contracted by UN agencies, as opposed to L/NNGOs being implementing partners. This was often because L/NNGOs were new, having been created as a result of the conflict, and had limited (if any) emergency response or conflict environment experience nor did they have adequate governance, finance, management and resource systems and structures to ensure accountable and effective humanitarian responses.

Beyond receiving funds as implementing partners, direct access to international humanitarian financing (domestic resource mobilization is covered further below) for local actors in order to implement their own activities is limited. A small number of examples where this has been possible include:

- The “Pope for Ukraine” initiative which aims to collaborate with Catholic and non-Catholic entities in response to the conflict. Started in 2016 by Pope Francis, the fund has collected some US\$12.5m, with an addition US\$5m donated by the Pope himself.<sup>108</sup>
- Donor embassies have initiated various calls for proposals from local actors. Whilst these are supportive of localisation, they do not always focus on humanitarian activities but rather on human rights.
- The HRP includes a small number of L/NNGOs (12 in 2019), seeking some US\$14m for their activities (reduced from US\$22m in 2018).<sup>109</sup>
- As discussed further below in relation to domestic resource mobilization, L/NNGOs have turned to crowd funding and to an extent to the private sector in order to support their humanitarian activities.

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<sup>107</sup> <https://www.humanitarianresponse.info/en/operations/ukraine/document/ukraine-2018-humanitarian-response-planhrp-en-end-year-report>

<sup>108</sup> <https://cruxnow.com/church-in-europe/2019/01/04/pope-for-ukraine-aims-to-help-displaced-families/>

<sup>109</sup> The HRP also includes 23 INGOs and eight UN agencies.

Although only launched in 2019, there are hopes that the Ukraine Humanitarian Fund (UHF)—OCHA's country-based pooled fund (CBPF)—will provide further opportunities for L/NNGOs to receive direct funding for their humanitarian operations. This is discussed further below.

Although not specific to accessing humanitarian financing, the international components of the RCM have adopted a concerted and focused effort on supporting the Ukraine Red Cross Society (URCS) in terms of capacity strengthening since 2014. This has seen an international staff member of the ICRC being embedded in the headquarters (HQ) of the URCS for three and a half years whilst the URCS was restructured. The focus has been on strengthening the capacity of the URCS branches in the east of the country in order that they are sufficiently operational to respond to humanitarian needs, particularly in the areas of weapon contamination; economic security; first aid; mental health and psychosocial support; water and habitat; and restoration of family links, as well as at the Kyiv HQ. In spite of this strengthened operational capacity, as with other Ukrainian national humanitarian organisations, accessing financial resources remains a challenge for the URCS and it is dependent upon its international RCM partners for funding, with the ICRC being its biggest donor. As a way to address this, the URCS recently applied to the RCM's National Society Investment Alliance for resource mobilization support for five of its branches and was successful. The funding received will be used over a period of three years to strengthen approaches to resource mobilization which should reduce the URCS reliance on international funding. Apart from this, the URCS only means of generating income is through the provision of first aid training which it provides to civilians along the contact line as well as on a commercial basis.

### Key factors that influence the ability of local actors to access humanitarian financing

According to stakeholder discussions with donors, UN agencies and INGOs, the following factors have influenced decisions on whether to provide financing (often as an implementing partner) to L/NNGOs:

- Registration in Ukraine (and accreditation for those working in the NGCA)
- Previous experience
- Knowledge of the local context
- Local presence
- Availability of appropriate human resources
- Budget expediency

### Barriers for local actors to use and access humanitarian financing

There are however a number of barriers in relation to the ability of L/NNGOs to access and utilize humanitarian financing. Discussions with stakeholders emphasized that while many L/NNGOs have good intentions, knowledge, and talent, they lack sufficiently robust managerial and financial systems to be able to manage finances in an accountable manner in the way that often long-established international actors can.

Key barriers identified for L/NNGOs in Ukraine to access humanitarian funding include:

- **Donor restrictions.** Some donors do not fund local organisations directly (e.g. ECHO) or have due diligence criteria that are almost impossible for an L/NNGO to meet.
- **Language.** In 2014, calls for funding proposals and applications for humanitarian financing had to be submitted in English. This has changed and today most calls for proposals are



published in both English and Ukrainian with some applications being permitted in either language or in Russian. Aware of this barrier and in order to facilitate access to funding from the HRP, OCHA allowed L/NNGOs to submit projects in Ukrainian or Russian and OCHA undertook the translation.

- **Operational history.** Since local humanitarian organisations in Ukraine were only created in the last five years many are unable to provide evidence of reliable operational implementation, particularly when compared to international actors.
- **Financial and management capacities.** The absence of formal governance, management and financial systems and structure has hindered the ability of L/NNGOs to be able to meet international donor due diligence requirements and/or provide assurances of the organisational ability to manage finances in a transparent and accountable manner.
- **Grant management.** To an extent linked to the above point, due to lack of longevity, and having been placed in the role of implementing partner as opposed to grant manager, L/NNGOs have limited experience in direct grant management.
- **Human resources.** Historically, most local organisations have operated with part-time staff, volunteers or through engaging temporary specialists. As such, job descriptions, HR policies and codes of conduct have not existed and nor have the HR structures to support internationally accepted HR processes been in place.
- **Financial audit.** If a donor requires an audit and does not cover the cost, most organisations prefer not to apply for funding as the cost of an audit starts from some US\$1,000 which is costly for a local organisation.
- **Centralisation.** The culturally centralized nature of Ukraine, with Kyiv lying at the heart of all decision-making, acts as a barrier to localisation and the provision of funding to local organisations, close to operations.

In addition to the above, some of the L/NNGOs spoken to for this research emphasized that they do not have sufficient funds to undertake international level networking which might give them better access to donors in the way that INGOs do.

Whilst fraud and corruption are well-known challenges in Ukraine<sup>110</sup> none of the stakeholders spoken to for this research said that there was any evidence of this within the L/NNGO sector.

### Sector differences in terms of accessing humanitarian financing

Whilst it was difficult to assess whether certain sectors were more easily able to access direct humanitarian financing than others, some stakeholder discussions indicated that this was the case. This was partially linked to the fact that a number of donors are slowly reducing their humanitarian funding in Ukraine. Whilst this is in part due to competing global commitments it is also linked to the transition away from humanitarian activities and into development, as promoted by some donors and aid agencies.

A number of stakeholders did highlight that there are some sectors for which it will always be difficult for L/NNGOs to access direct financing—not linked to the financing itself but rather to

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<sup>110</sup> In the 2018 Corruption Perception Index (compiled by Transparency International), Ukraine was 120th on the list of 180 countries, indicating limited progress on combatting corruption.

the activity - and this is not specific to Ukraine. Those noted were in relation to protection, particularly child protection. Not directly linked to financing, but finding L/NGOs with the right skillset for certain sectors—child protection again being cited as one—is difficult. Here, the need for those with experience that bridges the legal/social services divide is lacking (as it often is in conflict-affected countries).

## 3. Legal and policy environment

### In-country laws and policies

All NGOs in Ukraine are required to register in order to hold the status of a non-profit organisation which will allow them to implement humanitarian activities. Once registered, all those spoken to for this research emphasized that there are no barriers which restrict the receipt of funding for humanitarian operations from a legal or policy perspective.

There are however restrictions and requirements which may impede the ability of L/NNGOs (and international actors) to actually implement humanitarian activities. These include:

- The need to hold a bank account outside the NGCA—important for those operating within the NGCA.
- Restrictions on the movement of humanitarian good across the contact line.
- Unpredictable humanitarian access within the NGCA.
- Accreditation to work in the NGCA (as mentioned above) and then further vetting and approval of each programme.

Even though there is no separate law on social entrepreneurship in Ukraine, L/NNGOs are allowed to generate profit by selling their goods/services and to use the profit to support their regular activities.<sup>111</sup> Of the US\$290m received by Ukrainian NNGOs in 2017 US\$44m (15%) came through this type of activity. In addition, L/NNGOs are able to attract donations through SMS messages.<sup>112</sup>

### Donor country laws and policies

None of the international donors spoken to for this research highlighted any specific laws or policies that either restricted or facilitated the direct financing of local humanitarian actors in Ukraine. However, there are a number of global factors which apply for international donors, often regardless of the country in which the recipient L/NNGO is based.

As discussed in more detail in the global level literature review that forms part of this research, only one international donor, (ECHO), is legally prohibited from directly funding local actors.<sup>113</sup> Other donors do however cite a number of practical challenges in scaling up their direct funding to local and national actors; most notably the underlying risk and compliance environment that constrain many donors and their implementing agencies. International and national counter-terror and anti-money laundering regulations are also putting increasing pressure on political and humanitarian donor institutions.<sup>114</sup>

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**111** Activities of Civil Society Organizations in 2017 [http://ukrstat.org/uk/druk/publicat/kat\\_u/2018/zb/07/zb\\_go\\_2017.pdf](http://ukrstat.org/uk/druk/publicat/kat_u/2018/zb/07/zb_go_2017.pdf)

**112** <https://www.kyivpost.com/ukraine-politics/sms-donations-to-charity-now-available-in-ukraine.html>

**113** Patel, S. & Van Brabant, K. (2017). The Start Fund, Start Network and Localisation Global Mentoring Initiative. Start Network. Page 15–16. <https://start-network.app.box.com/s/3hs09ryakami7n8hjliaruaaw9ycir4r>

**114** Majid, S & Abdirahman, K & Poole, L & Willitts-King, B (2018). Funding to local humanitarian actors—Somalia case study. ODI/HPG. Page 11.

The administrative burden on donors in managing multiple contracts and overseeing responses on the ground have incentivized donors to direct their funds to ‘multiplier agencies’ and consortia. These agencies (both for-profit and not) reduce the donors’ exposure to risk, as they assume responsibility and potential liability for fraud, unjustifiable losses or mismanagement.<sup>115</sup> In Ukraine an example can be seen in the aforementioned ACCESS consortium which consists of a mix of INGOs and L/NGOs.

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<sup>115</sup> <https://www.odi.org/sites/odi.org.uk/files/resource-documents/12468.pdf>

## 4. Country-based pool funds

In 2019, under the leadership of the Humanitarian Coordinator (HC), OCHA launched a CBPF fund in the form of the UHF. With initial hopes that the Fund would raise US\$10m, contributions from the governments of Estonia, Germany, the Republic of Korea, Norway and Sweden have seen the fund reach only US\$3.2m.<sup>116</sup> The first call for proposals was announced in July 2019 with the deadline for applications being 9 August 2019. The allocation will target households with disabled members and the most vulnerable elderly people closest to the contact line in GCA and NGCA.<sup>117</sup>

One of the stated objectives of the Fund is to “Support the localisation agenda by empowering local responders and providing funding to NGOs” although no specific reference is made to L/NNGOs. The Advisory Board of the UHF does have representation from one of the key L/NNGOs (R2P).

The Fund is considered to be an approach to find a new way of working in a context where access to humanitarian financing is increasingly challenging. L/NNGOs have been encouraged to submit proposals but the first allocations will not be made until the end of August/early September 2019. All those apply for funding, including L/NNGOs, will be required to meet the eligibility criteria for the Fund which entails having a specific set of documentation in place<sup>118</sup> and being able to meet the Fund’s due diligence requirements which may present some hurdles for L/NNGOs.

To operationalize the fund, OCHA has reached out to over 100 partners on both sides of the contact line to familiarize them with the way the UHF works, and to support them in becoming eligible for funding. As of today, nine organisations have completed the “due diligence process”, which is the second step in a three-step process of the Fund’s eligibility requirements.

*“First, we had to register through the platform, then we had to submit all the necessary documentation, internal policies and procedures. This took us a couple of days even though, as we have been an implementing partner of UNHCR, we have passed through many of their audits”*

**Representative of a local organisation**

There has been concern from INGOs and some UN agencies that the establishment of a CBPF would result in a reduction in other humanitarian funding for Ukraine. Donor organisations have unofficially said that this will not happen and the UHF will focus only on the priority needs contained within the HRP. The Fund to date has attracted one new donor for the humanitarian response, the Republic of Korea.

<sup>116</sup> <https://reliefweb.int/report/ukraine/ocha-ukraine-situation-report-25-jul-2019-enruuk-0>

<sup>117</sup> UHF Allocation Strategy Paper <https://www.unocha.org/sites/unocha/files/2019%20SA%201%20UHF%20Allocation%20Strategy.pdf>

<sup>118</sup> i. UHF NGOs Registration Form—duly completed; ii. Government issued certificate of registration as an NGO in Ukraine; iii. A recent bank statement (not older than two months) and Optional iv. Financial Tracking System (FTS) code

## 5. Domestic resource mobilization

### Barriers and opportunities for domestic fundraising

All stakeholders spoken to for this research emphasized that opportunities for L/NNGOs to raise funds for humanitarian action domestically are severely limited. Potential options for resource mobilization were considered to include:

- Business support/corporate social responsibility
- Private donations
- Financing from government and local authorities
- Social entrepreneurship
- Crowdfunding

Donations coming from outside the country, for example from the Ukrainian diaspora or religious communities in other countries, were also seen as possible avenues for resource mobilization.

As already noted, local citizens, diaspora and businesses not only supported the revolution in 2014, they also acted as first responders, assisting those who needed support as a result of the conflict. Whilst not necessarily sustainable over time, these home-grown and very local level forms of in-kind domestic support were critical in the early stages of the conflict.

### Examples of domestic fundraising

One prominent example of local funding coming from the private sector can be seen in the Rinat Akhmetov Foundation<sup>119</sup>—a charitable fund established in 2005 by one of the wealthiest businessmen in Ukraine. Due to its regional presence, the foundation was very active at the very beginning of the conflict coordinating the evacuation of people from the zones of shelling and providing humanitarian aid in both the GCA and NGCA through its Humanitarian Center<sup>120</sup> established in 2014. The foundation later provided small grants for L/NNGOs working along the contact line.

*“There are pockets of extreme wealth in Ukraine and people can get things done if they want to and if they have an interest. But it’s not as if that private money is necessarily going to support impartial, neutral causes and it may be very interest-driven.”*

Donor representative

Another opportunity for local organisations is to apply for tenders or social contract procedures run by local authorities. This is quite a new tool which is just being tested. Those who have successfully been awarded a contract and those who have not claim that the process is challenging as local authorities themselves are not fully aware of the procedures.

<sup>119</sup> Rinat Akhmetov Foundation <https://fund.fdu.org.ua/en>

<sup>120</sup> Humanitarian Center of Rinat Akhmetov Foundation [https://www.fdu.org.ua/en/hum\\_center/about](https://www.fdu.org.ua/en/hum_center/about)

*“First you should come to local authorities and teach them how to use it and help them to assure themselves that there is no criminal risk in providing this type of funding to L/NNGOs. Then you come to L/NNGOs and teach them how to talk to local officials. And in the end, you’d better facilitate the process to make it happen, just like the Active Citizens program does in Eastern Ukraine working with local communities”*

L/NNGO representative

This tool is also being piloted by the URCS in 10 communities in eastern Ukraine and also by the Stabilization Support Services that facilitate the creation of veterans’ centers in Mykolaiv, Odesa, Rivne and Zhytomyr oblasts. Lessons from the process will not be available until 2020.

Crowdfunding is also popular in Ukraine with several platforms available (Ukrainian Philanthropic Marketplace<sup>121</sup> is the biggest of social/humanitarian platforms) with an estimated US\$5m raised in recent years as illustrated in the table below (it is not possible to determine the funds that went to L/NNGOs for humanitarian activities).

**Ukrainian and international crowdfunding platforms for Ukrainian fundraising campaigns<sup>122</sup>**

Platform name	No. of supported campaigns	Funds raised— USD	No. of donors	Year platform established	Average funds raised per campaign per platform, USD (funds raised / no. of supported campaigns)	Average donation per donor per platform, USD (funds raised / no. of donors)
Ukrainian philanthropic marketplace	1631	3,581,171	514,512	2011	2,195	6.96
Spilnocosht	156	367,551	21,448	2012	2,356	17.14
GoFundEd	20	22,165	550	2015	1,108	40.3
KickStarter	82	1,458,039	n/a	2010	17,781	n/a
Indiegogo	2,300	750,000	4,500	2008	119	166.67

However, most actors commented that the economic situation is not improving, so there is limited willingness to invest in ongoing L/NNGO activities. As a result, L/NNGOs are currently advocating for a change in the law to allow citizens to choose where some of their taxes should go in order that they do not feel they are double-paying for the vulnerable population to be cared for. Some L/NNGOs have managed to raise funds from businesses with a corporate social responsibility angle. Success has been seen for those who already had a business background.

*“We understood that we need to talk to those businesses that value philanthropy and have the same values as us. We help people with disabilities and have engaged with local restaurants who donate 5% of their profits to help us with our work.”*

L/NNGO representative

<sup>121</sup> Ukrainian Philanthropic Marketplace <https://ubb.org.ua/en/>

<sup>122</sup> <https://voxukraine.org/en/every-little-bit-helps-en/>

## 6. Forward-looking

Current analysis predicts that there will be no imminent change in relation to the situation in the east of Ukraine in the near future. As such, the protracted nature of the conflict will continue, and humanitarian needs will remain. At the same time, the downward trend of available financing for humanitarian activities—whether to international or national actors—is also likely to continue. As a result, humanitarian actors will need to increasingly prioritise needs, bearing in mind that some of the humanitarian consequences of the conflict, such as the existence of unexploded ordnances and the need for psychosocial support, will remain for a number of years. With the 2019 HRP poorly funded to date, there is a need to further analyse and understand how the different funding streams—humanitarian, nexus, and development—will work in the future and which will be most reliable for aid agencies.

Future opportunities for L/NNGOs to more directly access humanitarian financing could include:

- Promotion of the social contract between L/NNGOs and the GoU whereby the former will be able to access funding from local and state budgets.
- If L/NNGOs were required by international donors to source a percentage of their funding from local sources, this would provide a real motivation to pursue both international and domestic level funding
- Capacity building support from international actors in terms of helping L/NNGOs formulate fundraising strategies and plans aimed at both international and national funders.
- Allowing funding applications to be made in Ukrainian and publishing calls for tender in Ukrainian.
- Advocating for changes in legislation to make citizens chose where to put part of their taxes.
- Introducing L/NNGOs to humanitarian standards and principles (from the beginning of humanitarian action) in order that they are embedded in their systems, structures and practices.
- Encouraging L/NNGOs to form consortia to cover more needs in more locations and at scale and in response to international donor preference to manage one large contract as opposed to multiple smaller contracts.



## Abbreviations:

<b>CBPF</b>	country-based pooled fund
<b>CSOs</b>	civil society organisations
<b>GCA</b>	Government controlled area
<b>GoU</b>	Government of Ukraine
<b>HC</b>	Humanitarian Coordinator
<b>HQ</b>	Headquarters
<b>HRP</b>	Humanitarian Response Plan
<b>IDPS</b>	Internally displaced persons
<b>ICRC</b>	International Committee of the Red Cross
<b>IFRC</b>	International Federation of Red Cross and Red Crescent Societies
<b>INGO</b>	International non-governmental organisation
<b>NGCA</b>	non-government controlled area
<b>R2P</b>	Right to Protection
<b>RCM</b>	International Red Cross and Red Crescent Movement
<b>UHF</b>	Ukraine Humanitarian Fund
<b>URCS</b>	Ukraine Red Cross Society

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