

Due Diligence Harmonisation in Ukraine Inception Report and Situation Review

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List of Acronyms

CO	Charitable Organisation	NNGO	National Non-Governmental Organisations
CCD	Collaborative Cash Delivery	NGOP	The Humanitarian NGO Platform
CSO	Civil Society Organisation	OCHA	United Nations Office for the Coordination of Humanitarian Affairs
DDTF	Due Diligence Taskforce	UPF	Ukraine Pooled Fund
DEC	Disaster Emergency Committee	UN	United Nations
ECHO	European Civil Protection and Humanitarian Aid Operations	USAID	United States Agency for International Development
EU	European Union		
FCDO	UK Foreign, Commonwealth and Development Office		
FGD	Focus Group Discussion		
HQ	Headquarters		
HR	Human Resources		
INGO	International Non-Governmental Organisations		
MEAL	Monitoring, Evaluation, Accountability and Learning		

Executive Summary

Background

In February 2022, Russia launched an invasion into Ukraine, leading to a widespread humanitarian crisis across the country. In response to this crisis, a broad range of organisations in the humanitarian sector, from International NGOs to less established Civil Society Organisations (CSOs) and volunteer and community groups, responded.

In line with commitments made as part of the Grand Bargain in 2016⁽¹⁾, key actors within this humanitarian response have collaborated to ensure a localised response and provide organisations with the opportunity for capacity strengthening.

However, a study performed by the Humanitarian NGO Platform in Ukraine revealed that overheads, due diligence, capacity strengthening, and access to information continue to be barriers to achieving localisation in Ukraine⁽²⁾. This study further revealed that CSOs in Ukraine “*perceive that the due diligence processes required to access funding are too time- and resource-intensive, and that the tools used are not always commensurate with a Ukrainian context or conducive to the intended collaboration*” (1).

The administrative, time, and resource burden faced by organisations when applying for donor funds continues to be a barrier to efficient funds disbursement, and due

diligence requirements are a key discussion point within the international development sector.

Purpose

BDO has been engaged to build upon the existing work of the Due Diligence Taskforce (DDTF), to support and strengthen networks and engage stakeholders, both locally in Ukraine and globally, to drive knowledge sharing. This assignment was co-commissioned by ActionAid and the NGO Platform, funded by the Disaster Emergency Committee (DEC).

The main purpose of this report is to set out observations arising from a situation and stakeholder engagement analysis of INGOs and NNGOs operating within Ukraine who are both conducting and undergoing due diligence. This report is based on our own sector knowledge, desk-research and feedback obtained from DEC members¹ and NGO Platform Members.

In **Section 1**, we provide an overview of the due diligence landscape in Ukraine, including the legal environment and country-specific issues. In **Section 2** we present survey results analysing the perception of due diligence among NGO Platform members, and in **Section 3** we discuss ongoing due diligence reform initiatives, and existing challenges and barriers.



1 The Disaster Emergency Committee (DEC) consists of 15 UK charities with experience in humanitarian aid and disaster responses (2)

2 The NGO Platform is a coordination body consisting of Ukrainian and international NGOs operating in and delivering human aid in Ukraine (3)

Executive Summary (cont.)

Methodology

We have applied a mixed methods approach to this situation analysis and stakeholder engagement review, as follows:

1. Desk top review

We reviewed existing work completed by the DDTF.

We conducted a review of existing literature and due diligence tools to gain insight into the due diligence landscape within Ukraine.

We held two focus group discussions (FGDs) with 10 organisations of either an INGO or NNGO status. Themes of the focus group sessions have been included throughout this report.

3. Focus Groups

2. Surveys

We developed and issued two surveys, one tailored to DEC members and one tailored to NGO platform members. The purpose of the surveys were to gather insights into the perception of due diligence, use of initiatives and strengths and challenges associated with due diligence.

We have used both quantitative and qualitative data analysis techniques to identify trends in survey responses, focus group discussions and due diligence initiatives.

4. Data analysis, triangulation of data

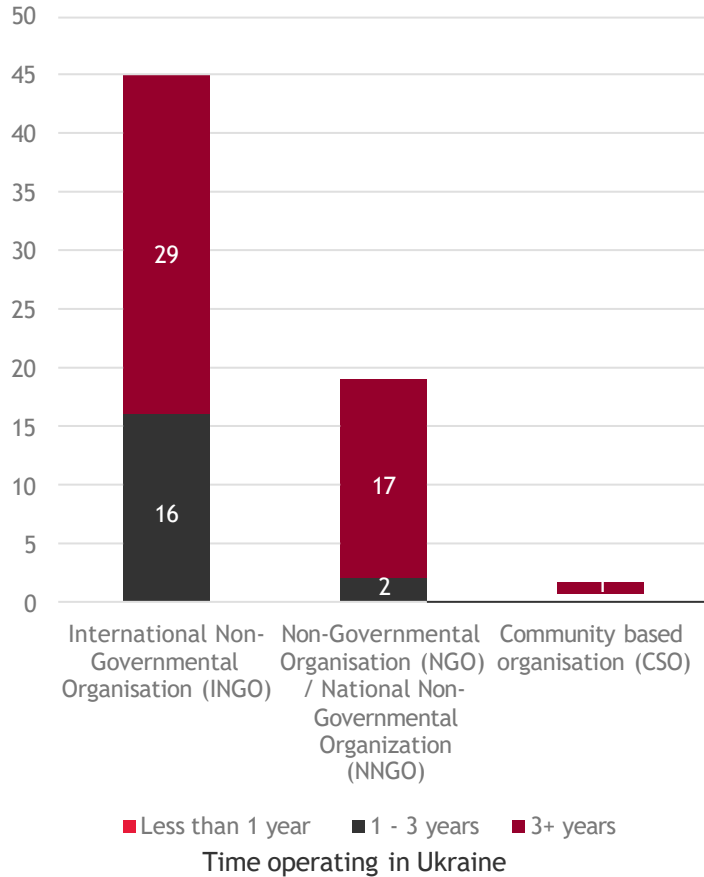


Executive Summary (cont.)

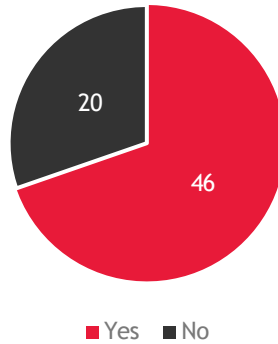
Profile of Organisations

We received 61 responses to the NGO Platform Member survey, and 5 responses to the DEC Member survey. Below we provide background information as to the profile of these organisations and an overview of their experiences with due diligence.

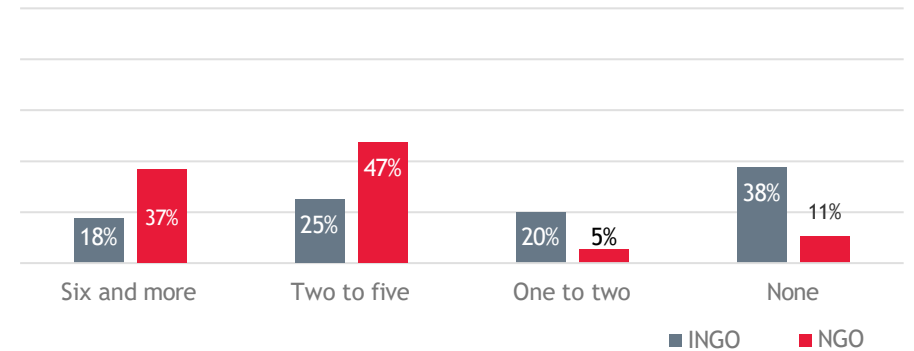
Types of Organisation Surveyed
(Combined NGO Platform and DEC Member surveys)



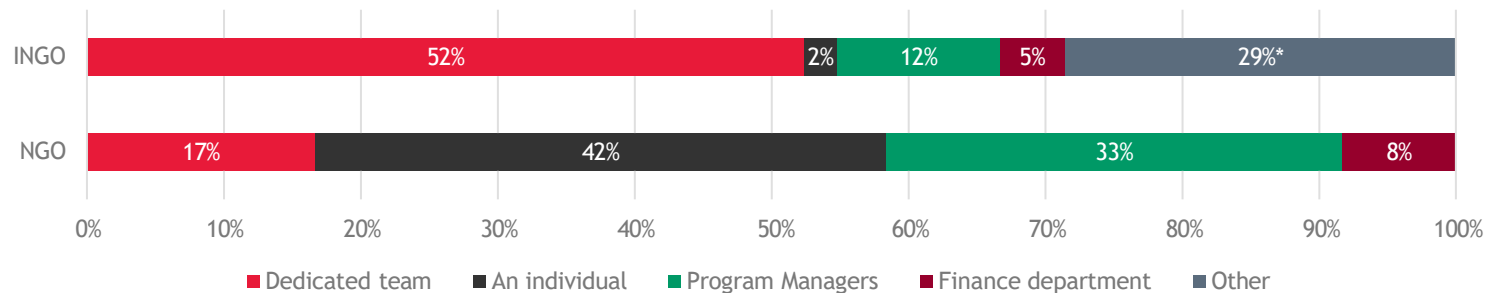
Survey respondents that are grant making organisations
(Combined NGO Platform and DEC Member surveys)



Number of many due diligence exercises an organisation been through in the last two years
(NGO Platform Members only)



Responsibility for due diligence in an organisation
(Combined NGO Platform and DEC Member surveys)



*Other responsibility answers represent; Partnership & Award Department, Partnerships specialists / team, multiple / cross-functional teams

Executive Summary (cont.)

Key Observations

The due diligence landscape in Ukraine is complex, with specific legal and socio-economic challenges that are not adequately addressed by existing processes. Many organisations find the current due diligence requirements too resource-intensive and not suited to the local context, which can hinder efficient fund disbursement and collaboration.

Perception of due diligence in Ukraine

Survey respondents recognise the importance of due diligence for securing funding and strengthening relationships with donors. A significant majority view it as essential, with 90% considering it crucial for funding and 82% acknowledging its role in enhancing donor partnerships. Less than one-third of respondents see due diligence as a barrier to accessing funds, indicating a general acceptance of its necessity.

However, around half of the respondents find the due diligence process too complex and time-consuming, and a third perceive there to be inconsistencies between donor requirements. These figures become starker when disaggregating Ukrainian NGOs from the International organisations - 57% of local NGOs responding felt that processes are too complex, and 43% perceive there to be inconsistencies in donor requirements.

Despite the complexities, around two-thirds of respondents felt due diligence was understood well within their organisation. However, there is a notable difference in how responsibility for completing due diligence was assigned between international organisations and local, Ukrainian ones.

Challenges of due diligence harmonisation

Organisations recognise the value of sharing due diligence results to streamline operations and enhance efficiency, and that this can lead to improved partnership-building and more effective development outcomes. However, there is a need for a sector-wide definition and clear expectations to ensure consistency, reduce perceived complexity and ultimately enhance trust among organisations and donors.

Proportionality between the size of organisations and due diligence requirements is crucial, especially for smaller organisations with limited resources. The focus on compliance can be overwhelming, with organisations often adopting extensive policy frameworks to satisfy due diligence requirements. Tailoring due diligence processes to the size and capacity of the organisation can ensure they are feasible and genuinely necessary, allowing organisations to focus on their core objectives and potential for development.

Initiatives

There are extensive efforts across the sector to reform due diligence and seek efficiencies, through harmonisation, passporting and certifications, capacity building frameworks, and strategic partnerships.

It is evident that there are overlapping efforts, not only in terms of initiatives being developed, but also working groups and knowledge sharing groups driving the change. Whilst this demonstrates a positive appetite for reform across the sector, there are risks of increased inefficiencies without considered coordination. There is also a risk of 'reform fatigue' whereby the sheer number of initiatives can overwhelm stakeholders in determining which is best for their organisation, leading to possible disengagement.

Collecting and sharing data on each initiative, such as participants involved, successes and barriers to date, will help organisations make informed choices and collate efforts to promote effective reform.

Section 1: Navigating the Due Diligence Landscape within Ukraine

Navigating the Due Diligence Landscape within Ukraine

The administrative, time, and resource burden faced by organisations when applying for donor funds continues to be a barrier to efficient funds disbursement globally. As a result, there are ongoing efforts in the sector to revise existing due diligence processes and establish a better solution for a more efficient and effective due diligence process. In this report we specifically focus on the context of due diligence in Ukraine.

In this section we set out a brief overview of the legal environment and country specific rules and issues that need to be considered when assessing due diligence in Ukraine. When conducting due diligence on organisations in Ukraine, particularly from the perspective of Civil Society Organisations (CSOs) and National Non-Governmental Organisations (NNGOs), the following factors should be considered:

1. **The legal environment in Ukraine is complex**, with specific regulations that impact not for profit organisations. Understanding these legal frameworks is crucial to ensure due diligence frameworks are adapted to meet the country-specific requirements.
2. **The political climate and socio-economic conditions in Ukraine are volatile**, and this can influence the operational landscape for CSOs and NNGOs. It is important that donors are mindful and consider how these factors might affect the organisation's capacity and the ability to achieve organisational goals. The socio-economic conditions also expose organisations to a currency risk, if the rate in Ukraine is volatile, then funds transferred may suddenly lose value if not used in a timely manner. It will be important to ensure that due diligence processes do not lead to unnecessary delays in the grant-making process.
3. **Many not-for-profit organisations in Ukraine are reasonably new**. In response to the conflict, new CSOs have been established, or existing organisations have adapted their activities to provide a humanitarian response. This includes developing an understanding of international humanitarian laws and principles as they start to establish themselves, in addition to requiring an understanding of complex international donor requirements. As CSOs grow, and have access to more funding, it will be important to ensure that the due diligence requirements are proportionate to their age and level of establishment. This is particularly relevant as our survey revealed that only 38% of NNGOs that completed the survey feel that due diligence is proportionate to the size of their organisation.

Terminology: What is a CSO? ⁽³⁾

- ▶ In Ukraine, the term 'CSO' (Civil Society Organisation) is widely used to refer to not-for-profit organisations. However, this term is not officially used in legal acts under Ukrainian law.
- ▶ There are different types of not-for-profit organisations. It is our understanding that the term would generally be used to refer to organisations officially registered as:
 - **civil society organisation/public associations;**
 - **creative unions; or**
 - **charitable organisations.**

³Throughout this report, where we have referred to NNGOs, we mean this term to include, but not be limited to, CSOs.

**While this section provides an overview of the legal landscape in Ukraine from our understanding of the sector and expertise from our Ukrainian colleagues, we are not Ukraine legal experts and this information should not be considered as legal advice or be solely relied upon.*

What does the Ukrainian landscape mean for due diligence?

Understanding
Tax
Regulations

01

Obtaining
Non-Profit
Status

02

03

Language
Barriers and donor
terminology

Donor agreements
may not adhere
to Ukrainian law

04

05

Accounting and
financial reporting
differences

1. Understanding tax regulations - When performing due diligence on a potential Ukrainian partner, confirming compliance with local tax regulations will not be straightforward, as different not-for-profit organisations⁽⁴⁾ will be required to pay different taxation rates.

- ▶ All Ukrainian public associations and some charitable organisations must pay 18% income tax and 5%(changed in 2025; previously 1.5%) military tax from every national or international donation received. As of March 2022, Charitable Organisations working on issues related to the war are exempt from paying both taxes (4).
- ▶ To qualify as a charitable organisation, an organisation must direct at least 80% of its donations from individual and institutional donors to the direct provision of charitable help (5).

2. Obtaining Non-Profit Status - Legally registering for non-profit status can be a complex process.

- ▶ Following the successful state registration, an organisation is included in the Unified State Register of Legal Entities, Individual Entrepreneurs and Public Formations. The organisation can obtain an Official Extract from the Register confirming its full legal registration (6).
- ▶ When performing due diligence on a potential Ukrainian partner, it will be key to ensure the correct registration documents/certificates are requested to confirm that they are able to operate legally. If an organisation has not been able to obtain non-profit status, they may not be exempt from certain taxes, and this could result in an increased risk of project funds being used to pay taxes and/or project funds being treated as commercial income.

⁴There are different types of not-for-profit organisations. It is our understanding, that the term would generally be used to refer to organisations officially registered as: civil society organisation/public associations; creative unions; or charitable organisations.

What does the Ukrainian landscape mean for due diligence? (cont.)

Understanding
Tax
Regulations

01

Obtaining
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3. Language Barriers and donor terminology - In the international development sector, the term “CSO” is commonly used. However, this term can encompass different types of not-for-profit organisations. Without this clear definition, it may be more complex to:

- ▶ Verify the legitimacy of an organisation
- ▶ Confirm compliance with local laws and regulations

4. Donor agreements may contradict aspects of Ukrainian law - Donor agreements may conflict with certain requirements for organisations under Ukrainian law.

- ▶ From our Focus Group Discussions, we understand that donor agreements are not necessarily adapted to suit country specific legislation. We note that misalignments may include data protection, confidentiality, copyright, tax legislation, and liability clauses. This may mean that partners are unable to sign agreements with donors which can delay the process and cause frustration.
- ▶ Some information requested by donors, cannot be shared under Ukrainian law.
- ▶ Donor agreements must therefore be adapted to ensure that requirements can be met by local partners.

5. Accounting and financial reporting differences - Financial reporting requirements from donors may differ to the way organisations in Ukraine are required to report for financial regulatory purposes (cash vs accrual basis).

- ▶ The donor should ensure that the potential partner will be able to meet their financial reporting requirements, and where this is not the case, consider if any requirements can be adapted.

Section 2: Perception of Due Diligence in Ukraine

Perception of due diligence in Ukraine

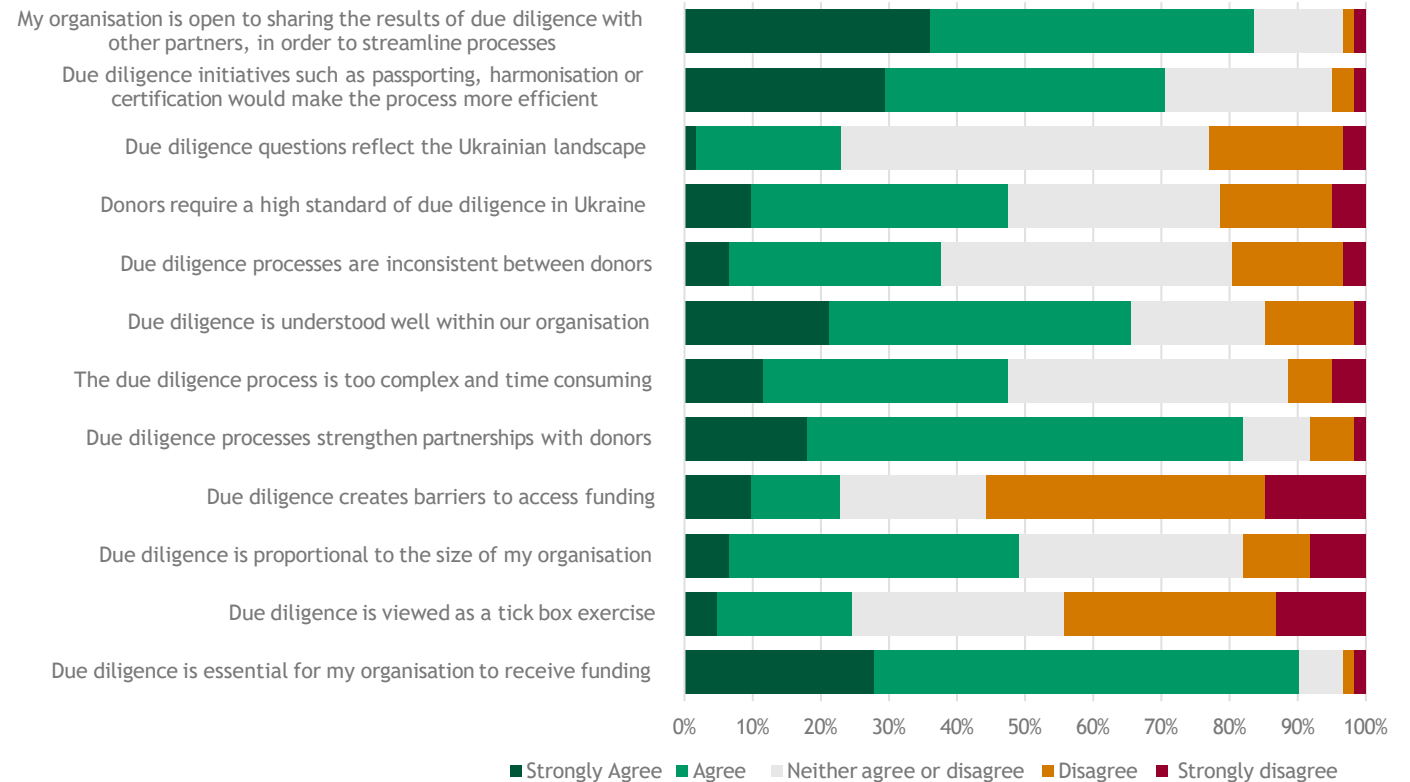
The survey and focus groups sought to understand the background of organisations that operate in Ukraine, their due diligence processes, details of conducting and undergoing due diligence, use of due diligence initiatives and their perception of due diligence. We set out key results of the survey and focus group within this section of the report.

Perception

The survey considered the perception of due diligence by asking participants to rate 12 statements from strongly agree to strongly disagree.

- **Members acknowledge the value of due diligence.** 90% of survey respondents consider it as essential for receiving funding, and 82% see it as strengthening relationships with donors. In addition, only 25% see it as a tick-box exercise. 23% consider it a barrier to accessing funding (although the problem is more salient for NNGOs than INGOs; 33% of the NNGO respondents felt due diligence was a barrier - this is discussed further below).
- **However, many see it as inconsistent and resource demanding.** Although two-thirds of respondents believe that due diligence is well understood within their organisation, half of the respondents see it as too complex and time-consuming, and a third pointed to the inconsistency of due diligence processes between donors.
- **Standardisation is desired.** There's a clear preference for initiatives like passporting and harmonisation, with 70% agreeing that this would make due diligence more efficient. Respondents also noted, however, that there would be challenges with international standardisation in the Ukrainian context, with a split view on whether current due diligence questions reflect the Ukrainian landscape.

Perception of due diligence - NGO Platform - All Participants



Perception of due diligence in Ukraine (cont.)

Collaboration is key

The survey results provide a comprehensive view of how participants perceive due diligence within the Humanitarian NGO Platform (NGOP). A significant majority of respondents strongly agree or agree that their organisation is open to sharing due diligence results with other partners to streamline processes. This indicates a collaborative approach and a willingness to enhance efficiency through transparency.

There is also strong agreement that due diligence initiatives, such as passporting, harmonisation, or certification, would make the process more efficient. Standardisation and simplification are viewed as mechanisms which could reduce administrative burden and improve consistency across organisations. However, the perception that due diligence processes are inconsistent between donors highlights a challenge for standardisation.

During the FGD, we explored how easy it was in reality to share due diligence results. Participants explained that results are always shared with partners, who then decide whether or not to share them with other donors. There were no objections from the INGO respondents regarding this practice. However, complexities arise in relying on another organisation's due diligence exercise. One participant mentioned that their organisation includes a disclaimer, stating they do not accept responsibility for how third parties use the results. This

raises the question of who assumes responsibility if a risk materialises.

Without a formalised and consistent due diligence procedure, teams are cautious about relying on assessments made according to someone else's interpretation, possibly using different risk weightings. The definition of risk involves uncertainty, and relying on another organisation's assessment therefore creates risk exposure. Organisations need to balance the benefits of collaboration through harmonisation and passporting with their willingness to accept associated risks.

Mixed views on complexity and understanding

Interestingly, while many respondents agreed that due diligence is understood well within their organisation, there was a notable concern that the process is too complex and time-consuming. If due diligence is unnecessarily complex, or not all questions are relevant, this may hinder the effectiveness of due diligence and could make accessing funding more difficult. Despite these challenges, there is a strong consensus that due diligence is essential for receiving funding, underscoring its importance in maintaining trust and accountability with donors.

During the FGD, INGO participants expressed surprise at the results for 'due diligence is understood well within our organisation'. They explained that, in their experience, most INGO employees see due diligence

merely as a compliance exercise, but participants acknowledged that it can also be a valuable tool for developing capacity-sharing plans that underpin partnerships. This suggests differing interpretations of due diligence across organisations and indicates a need for a sector-wide definition and clear expectations.

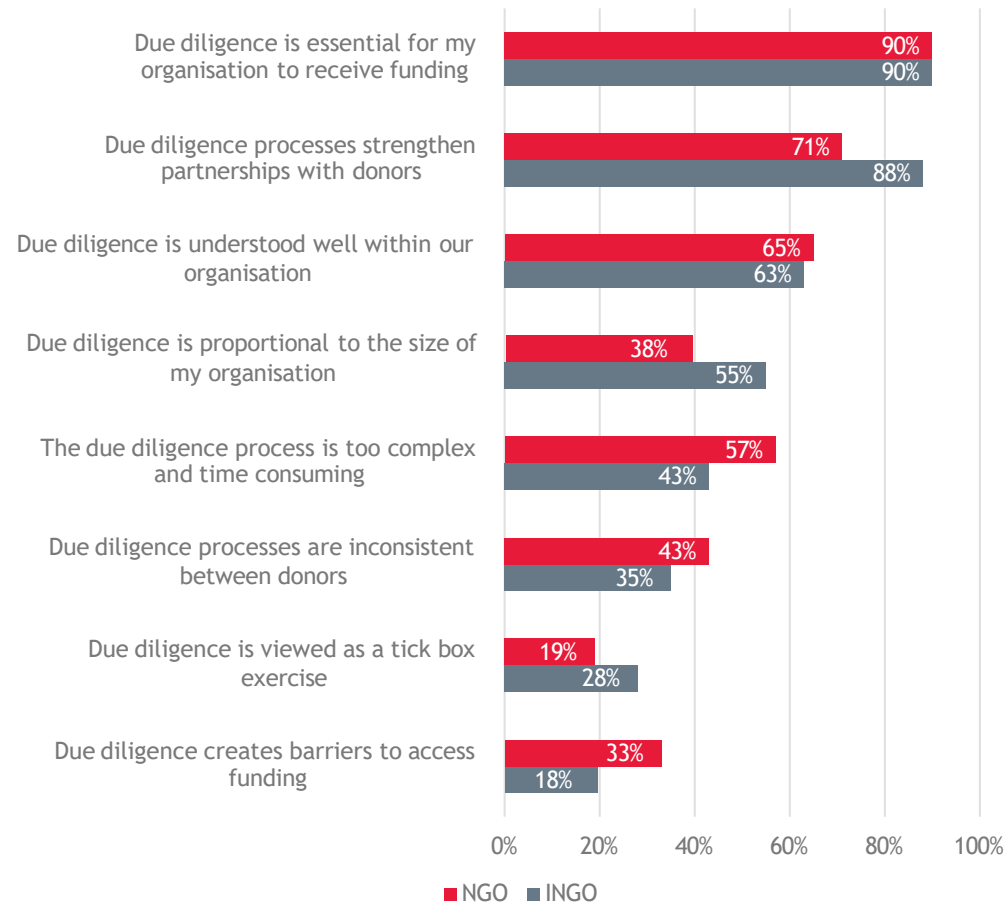
NNGO participants also agreed that due diligence was well understood in their organisations but noted that only specialist team members were involved in the process. 42% of NNGO survey respondents noted that due diligence was the responsibility of an individual, compared to just 2% of INGO respondents. Over half of INGOs identified a dedicated team in their organisation with responsibility for due diligence. Where due diligence is the responsibility of an individual rather than a team with established roles, there is a risk that the concept, practice and benefits of due diligence might not be fully understood across the organisation.

Where there are different interpretations on the purpose of due diligence, it follows that organisations are not necessarily working towards the same objective, which will make widespread harmonisation of due diligence difficult to achieve.

Perception of due diligence in Ukraine (cont.)

Perception (cont.)

Perception of due diligence (by organisation type)



Strengthening partnerships

It is evident that both NNGOs and INGOs see due diligence as essential for receiving funding. However, INGOs are more likely to view due diligence processes as strengthening partnerships with donors and as proportional to the size of their organisation.

INGOs often have more resources and operate on a larger scale, which allows them to dedicate more effort to thorough due diligence processes. This can enhance their visibility with donors and strengthen partnerships by demonstrating accountability and reliability. Additionally, INGOs can leverage due diligence to build upon pre-existing relationships, offering reassurance to donors about their capacity to manage funds and deliver results effectively. In comparison, smaller NNGOs might not have the same level of resources or visibility, which can affect their ability to use due diligence as a tool for strengthening donor relationships.

Proportionality matters

NNGOs are more likely to find due diligence too complex and time-consuming; only 38% of respondents, viewed due diligence as proportionate. The issue of proportionality in due diligence is crucial, especially for local NNGOs in Ukraine, where availability of donor funding has scaled up dramatically. One FGD respondent highlighted that the focus on policies can be overwhelming for smaller organisations, particularly when focusing on emergency response. They provided an example of being asked for branded policies covering aspects such as cost allocation, despite being a very small NNGO with experience only delivering one to two projects a year prior to the conflict. Often donors also do not provide overhead or administrative costs to cover the development of such policies that are requested.

This situation illustrates how the burden of compliance can be disproportionate, particularly for smaller NNGOs that precisely lack the resources to develop and implement such extensive policy frameworks. It highlights the need for due diligence processes to be tailored to the size and capacity of the organisation, ensuring they are feasible and genuinely necessary to achieve the objectives of a due diligence process.

Perception of due diligence in Ukraine (cont.)

Increased access to funding vs increased risks

More than half of the survey respondents identified enhanced organisational reputation and increased opportunities to access funding as benefits of going through a due diligence process with a donor. Whilst it is encouraging to see how due diligence can support the development of local partners, there are risks associated with this perception that due diligence opens doors at any cost - for example, we were told of a situation where a local partner had developed a full suite of 21 policies for the purposes of 'passing' due diligence but were unable to effectively implement these as there were only three employees. In this situation, relying on another organisation's due diligence or a certification could expose a donor to significant risks where organisations have overextended themselves to meet due diligence requirements, potentially compromising their actual capabilities.

Capacity building for long term programming

Only a third of survey respondents saw due diligence as a tool that can support capacity building, indicating that experiences to date have shown it to be a compliance exercise to access funding rather than a mechanism to build long term partnerships between donors and local actors.

However, only 19% of NNGO survey respondents viewed due diligence as a tick-box exercise, indicating

that due diligence may be seen as a tool that can add value among respondents, such as in supporting the capacity development of organisations, but perhaps this has not materialised to date.

A FGD participant noted that the due diligence mechanisms they had experienced rarely took into account potential for development. They provided examples of a small organisation that had seen growth, with informal procedures in place and high potential for development but limited resources vs a larger, established organisation that had resources but who were less likely to understand what was really needed on the ground. Under a standard due diligence assessment, where a resulting capacity building plan is not usually an outcome, donors will often seek to partner with the larger organisation, despite any objectives to localise delivery.

It is significant that most respondents do not recognise due diligence as a tool for supporting capacity building given the ongoing emphasis on localisation. Utilising the results of due diligence for capacity building plans can strengthen a partnership from the early stages of a relationship. Notwithstanding, we understand that incorporating capacity building activities into funding can be a challenge for organisations for example, where funding is specific to a topic and requires upward reporting to an institutional donor. In **Section 3**, we explore the benefits that can arise from integrating due diligence and capacity building.

Benefits of undergoing due diligence

Enhanced organisational reputation	56%
Increased opportunities to access funding	54%
Stronger partnership working	52%
Capacity building	33%
Managing risks	25%

Qu: what are the top three benefits to your organisation when going through the due diligence process of a donor entity?

Challenges of undergoing due diligence

Time consuming / Takes a long time	77%
Duplicated requests	51%
Unrelated questions	18%
Difficulty in meeting the requirements	18%
Unclear process to follow	8%

Qu: what are the top three challenge your organisation faces when going through the due diligence process of a donor entity?

Perception of due diligence in Ukraine (cont.)

Benefits to a donor organisation when conducting due diligence

Risk mitigation	84%
Enhanced credibility with donors and stakeholders	54%
Increased transparency	54%
Strengthened partnerships	57%
Improved decision making	27%
Other	5%

Qu: what are the top three benefits to your organisation when conducting due diligence on a partner?

Challenges for a donor organisation when conducting due diligence

Lack of dedicated resource	52%
Difficulty in verifying partner credibility	38%
Unclear process or policy	32%
Engagement with partners	27%
Complex regulatory environment	27%
Other	20%

Qu: what are the top three challenges to your organisation when conducting due diligence on a partner?

Impact of due diligence on decision making

84% of respondents identified risk mitigation as a key benefit of performing due diligence however only 27% felt it improved decision making, which indicates that due diligence results are not actively being used to inform how relationships with partners are managed. This could be for several reasons, such as lack of flexibility in adapting donor agreements and budgets, or lack of understanding as to process when a risk is identified - 32% of respondents identified having an unclear process or policy as a key challenge for them.

From a more extreme lens, it could indicate that due diligence results are not actually impacting whether an organisation is contracted, but are instead being used to bolster preconceived ideas about which entities should 'pass', perhaps because they have good programmatic ideas, or are already advanced in developing a project.

Verifying partner credibility

Stronger risk mitigation should also increase transparency, however 38% of respondents identified verification of partner credibility as a challenge. This could link back to the example of a very small partner with a full suite of advanced policies. In traditional due diligence, the likelihood of receiving funding was closely tied to how well the partner scored, meaning that they were more likely to

overstate their answers. If the focus on capacity strengthening grows, partners should be less apprehensive to providing "weak" answers, and this may lead to greater transparency, making it easier to verify partner credibility.

Lack of dedicated resources

52% of respondents noted a lack of dedicated resource is a challenge when conducting due diligence. We previously noted that 42% of NGO survey respondents stated due diligence was the responsibility of an individual. This suggests that some organisations may need to expand to dedicated teams or share responsibility among more staff members. The feasibility of this suggestion will be dependent on the funding and resources available at the donor organisation. The alternative is to reduce the burden of conducting due diligence, through initiatives such as passporting and strategic partnerships.

During the FGDs, it was noted that the accuracy of the translation, and simplicity of the forms can minimise the completion time for the partner. This is likely also to be true for the donor, where simpler, better formulated tools with clear and concise guidance are easier to assess and therefore efforts to reduce the time burden on staff may come with greater success.

Perception of due diligence in Ukraine (cont.)

What areas are covered under your due diligence process?

Finance	96%
Procurement	92%
Governance and risk management	90%
Legal compliance	88%
Operational Capacity	88%
Safeguarding	80%
Data protection	63%
Environmental, Social, Governance / Environmental, Social and Governance Aspects	39%
Downstream partner management / Work with implementing organizations on the ground	25%

Other areas identified by respondents: monitoring, evaluation, accountability and learning (MEAL) [5]; safety / security [3]; HR [3]; values / strategic alignment [2]; communication and visibility [1]; relationships with other stakeholders [2]; accountability [2].

Overlaps in due diligence

There were mixed views in the FGDs on the level of overlap within due diligence. One participant noted that whilst specific technical questions may differ, most of the questions are often the same. The key barrier to successful harmonisation activities being a lack of trust between organisations in how assessments have been made. On the other hand, another participant noted that INGOs can be very different, and they therefore have different requirements, particularly if considering activities being funded. For instance, some might have stricter security requirements or increased due diligence over warehouse management due to the nature of their activities, which is intrinsic to the mission of that INGO.

The results from the survey indicate that there are a set of ‘core’ topics that are common among nearly all frameworks, with finance, procurement, governance and risk management being present in over 90% of the frameworks of the respondents that answered, with legal compliance, operational capacity and safeguarding also present in most. This indicates strong alignment among many organisations which could set the stage for successful harmonisation or passporting initiatives.

Data Protection is identified as present by almost two-thirds of respondents. Through the FGD we understand that data privacy is particularly strict in Ukraine, but it is not clear at this stage whether the indicators are generic or have been adapted to the Ukrainian context.

Some ‘other’ areas that respondents provided, such as values and strategic alignment, may be difficult to harmonise entirely due to different focuses of donors, however this is where strategic partnerships or collaborative networks could be utilised - where donors have complementary goals or visions there is scope to collaborate fully on due diligence.

Section 3: Due Diligence Initiatives in Ukraine

Overview of Due Diligence Initiatives

According to work performed by the NGOP in Ukraine (December 2023), CSOs have reported due diligence to be “resource-intensive and repetitive” and that the tools used are not adapted to the local context (1). There have been different efforts to increase the efficiency of due diligence processes, with the aim of reducing the burden on partners. Below we summarise the different types of due diligence reform taking place in the sector:

TYPES OF DUE DILIGENCE INITIATIVES



Harmonisation

Aim:

Developing a unified approach to assessing due diligence, by using one assessment tool that is accepted by all donors.

Expected benefits:

- ✓ Standardise terminology and questions to create consistency.
- ✓ Reduce duplication of efforts.
- ✓ Save time and resources.



Passporting

Aim:

Recognising and accepting due diligence assessments conducted by other organisations.

Expected benefits:

- ✓ Rely on existing assessments, reducing the need for repeated assessments.
- ✓ Speed up decision-making.
- ✓ Foster trust among partners.



Certification

Aim:

Recognising certifications organizations have received to demonstrate compliance in certain areas or with specific standards, for example, the Core Humanitarian Standard.

Expected benefits:

- ✓ Reduces the need for extensive assessments through placing reliance on certifications.
- ✓ Simplifies the process.



Capacity Development

Aim:

Investing in the development of partners' capabilities to meet due diligence requirements independently.

Expected benefits:

- ✓ Empowers partners.
- ✓ Enhances the capability of partners in the longer term.
- ✓ Strengthen relationships.



Strategic partnerships

Aim:

Forming alliances with other organisations to support due diligence through access to additional resources, expertise and insights, and sharing of experiences or results.

Expected benefits:

- ✓ Strengthen relationships and foster innovation.
- ✓ Access to resources.
- ✓ Streamline processes between members.

Note: Initiatives often span multiple areas rather than focusing on just one. For example, an initiative might include both harmonisation and passporting elements, or capacity development with a certification element. For the purposes of the cases studies presented in this section we have categorised initiatives according to their primary type.

Due Diligence Initiatives (cont.)

In the survey we asked NGO platform members and DEC members questions in relation to the due diligence initiatives mentioned on page 20. We wanted to gain insights into how many participants were involved in initiatives, whether they would want to be involved and any challenges associated with implementing initiatives. We summarise below and overleaf the results:

Involvement with due diligence initiatives

Participants were asked if their organisation had already participated in any due diligence initiatives and whether or not they would be interested in exploring such initiatives. The data shows that 46% of participants (28 out of 61) had not participated in any due diligence initiatives. However, there was a strong interest in exploring them, with 69% (42 out of 61) of participants expressing a willingness to engage.

This was further supported when participants were asked to rate the following statements on a scale of 'strongly agree' to 'strongly disagree':

- Due diligence initiatives such as passporting, harmonisation or certification would make the process more efficient.
- My organisation is open to sharing the results of due diligence with other partners, in order to streamline processes.

70% of NGO platform member participants responded that they either agree or strongly agree that due diligence initiatives would make the process more efficient and 84% of the respondents stated that they would be open to sharing the results of due diligence with other partners. This suggests there is an appetite for increased collaboration and participation in due diligence initiatives.

Reasons as to why organisations are not yet involved in initiatives could be limited awareness or visibility of such activities, limited understanding of how initiatives could benefit their organisation, which initiative to join and how to get involved with initiatives.

Participation in due diligence initiatives

Did not participate in any initiative	46%
Harmonise due diligence processes between organisations	36%
Enter into a strategic partnership instead of a donor-grantee relationship	31%
Passport due diligence results from other organizations	26%
Utilise certifications instead of internal processes	13%

Qu: Has your organisation participated in any initiatives?

Due Diligence Initiatives (cont.)

Perceived challenges to streamlining due diligence through initiatives:

We asked participants to identify challenges to streamlining due diligence processes based on their experience of undergoing due diligence in Ukraine.

Requirements of upward donors

- ▶ The survey data highlights that the most significant challenge to streamlining due diligence processes through initiatives, cited by 52% of participants, was the 'Requirements of upward donors'. This suggests a perception that donors may not be flexible in adapting their due diligence processes or willing to rely on shared assessments. This was echoed in both FGDs. Additionally, donors may have differing views on acceptable initiatives to improve the process, complicating efforts to create a straightforward, unified approach.
- ▶ To address these challenges, donor 'buy-in' is crucial when developing or piloting initiatives. By considering donor requirements in the design phase, organisations can enhance the likelihood of acceptance and support for these initiatives. Advocacy from working groups focusing on due diligence reform, NNGOs and INGOs will play a key role in promoting donor coordination and mutual recognition to accept initiatives.

Legal and regulatory differences

- ▶ Legal and regulatory differences was selected as another key challenge, affecting 43% of respondents. This indicates that navigating the legal frameworks and regulations is another potential barrier for initiatives being adopted as referred to in Section 1 of this report.

Accountability if issues arise and lack of contextual understanding

- ▶ Accountability is a key factor when it comes to passporting due diligence results or placing reliance on certifications. Ensuring that there are clear agreements in place that outline scope and limitations of passported results will be needed for successful initiatives. This includes defining responsibilities and accountability in case issues arise. 30% of participants considered this as a challenge, indicating that many respondents believe they would be comfortable to accept accountability where initiatives are structured and formalised appropriately.
- ▶ 30% of respondents perceived 'a lack of contextual understanding' as a challenge. This suggests that while it's important for initiatives in Ukraine to consider local context, it's not the primary concern for most. To succeed, initiatives should still seek input from Ukrainian organisations, but other factors might be more pressing for effective implementation.

Due Diligence Streamlining Challenges

Requirements of upward donors	52%
Legal and regulatory differences	43%
Accountability if issues arise	30%
Lack of contextual understanding	30%
Lack of trust	26%
Confidentiality	20%
Partners do not wish to share the results of due diligence	18%

Qu: Are there any challenges to streamlining due diligence processes (through passporting, harmonisation, certification and so on) based on your experience of undergoing due diligence in Ukraine ?

Harmonisation Initiatives

The survey data suggested that 36% of participants are involved in harmonisation initiatives.

On further analysis, we understand that many of these participants have been involved in discussions through various groups/forums such as the NGOP, DDTF, attendance to events organised by this platform and the CSO Alliance UA, rather than using or implementing a harmonised due diligence tool. This signals that there are many efforts taking place to harmonise due diligence in Ukraine.

Harmonisation initiatives have been challenging to operationalise. FGDs highlighted some of the specific issues, noting that donors have different requirements and focuses, and some areas of due diligence are considered more important than others. There is therefore an inherent challenge in harmonising and still meeting the expectations of all stakeholders. Getting buy-in from all relevant HQ teams was also a challenge, particularly where other business changes are taking place.

Another issue highlighted was that harmonisation could result in the opposite effect than intended, by reducing flexibility to smaller and local organisations in how they respond to due diligence, and even the potential for increased burden through more questions or requirements.

The case study, right, demonstrates that harmonisation is possible but that participating organisations need to be engaged at all levels, and fully committed to the process.

Case Study: Collaborative Cash Delivery (CCD) Networks Harmonised Due Diligence tool (7)

The CCD developed a harmonised tool using five INGOs (Action Against Hunger; Concern; Oxfam; Save the Children; World Vision) operating in Turkiye, Northwest Syria and Ukraine.

The tool consolidated participants' existing due diligence processes into one tool, with additional aspects, such as tiering, built in to enable flexible use and to ensure due diligence is proportionate to the proposed partners. The aim of the project was to align CCD members in reducing the burden on local partners - by utilising the same tool, partners could complete one assessment that was then accepted by multiple INGOs. Each INGO would perform a separate analysis according to their internal risk appetite and needs.

The project was billed as a pre-cursor to passporting: by demonstrating alignment between DD tools and bringing organisations onto the same tool, it would foster trust and collaboration that could later lead to successful passporting agreements.

Successes:

- ▶ The tool received positive feedback from reviewers at every stage of development and has been made available for use within the sector. It is our understanding through this project that JERU (Joint Emergency Response Unit, an initiative between

Concern Worldwide and Welthungerhilfe) is piloting the use of the Harmonised Due Diligence tool in Ukraine with a new partner.

- ▶ The project supported collaboration in the sector, establishing a Due Diligence Community of Practice through which best practices and tools can be shared, in addition to bringing together voices for change.

Barriers and Challenges:

Whilst the tool received initial support and feedback was positive, uptake/usage for the pilot was low due to several challenges which meant the project did not achieve its core objective:

- ▶ Poor uptake during the pilot phase due to the complexity of the project requiring inputs from many teams at an Agency - two of the INGOs were unable to approve the tool in time for piloting, while a third withdrew due to an incompatible business change.
- ▶ Management buy-in and turnover of staff in key positions to support the project.
- ▶ Competing projects, notably Charter for Change (refer to page 24) were being developed in parallel. Passporting initiatives may have been seen as the end goal, and hence harmonisation was not seen as a priority.

Passporting Initiatives

13 out of 61 survey respondents (20%) responded that they are involved in passporting due diligence results or piloting an initiative of this type. Responses identified the following:

- ▶ NRC have piloted a passporting exercise, although this still requires assessment of success. They further accept the ECHO certification in place of internal due diligence procedures.
- ▶ Action Against Hunger has established internal processes for recognising due diligence conducted by other INGOs.
- ▶ NGO Resource Center will consider results of other due diligence exercises, if recent, and if the quality of processes are proven, then the results can be shared.
- ▶ CAFOD will passport due diligence carried out by Start Network, ECHO/EU, UN, USAID, FCDO and the Core Humanitarian Standard (CHS). They will also passport some recognised development agencies operating in a similar context, such as Christian Aid and Trocaire. CAFOD's internal Audit and Compliance team are responsible for reviewing and accepting other frameworks.
- ▶ The Alliance2015 Network is developing a passporting procedure for due diligence between its members.

Case Study: Charter for Change Due Diligence Passporting Tool (C4C DDPP Tool)

A group of seven INGOs worked with Humentum to develop a harmonised due diligence passporting tool. The aim of this tool, is to mitigate duplication in due diligence and reduce burden to partners.

A potential partner is required to complete the tool, the “passporting organization” who has assessed the tool will passport the results to the “receiving organisation” who is considering funding the partner but is relying on a completed due diligence assessment. The receiving organisation can carry out additional due diligence in areas it perceives as needing further review or assurance.

In Ukraine, Alliance for Public Health (APH) collaborated with Christian Aid (Ireland) to pilot the tool across 28 network members of APH, incorporating capacity action plans and strengthening into the pilot. Local/ National Actors (L/NA) were considered the “partner organisation”, APH the “passporting organization” and donors or INGOs as the “receiving organization”.

A high-level summary of lessons learnt from the pilot are set out below (8):

Successes:

- ▶ Involving stakeholders, particularly those in finance and compliance and sharing the tool with working groups helped advance the initiative.
- ▶ By incorporating capacity strengthening into the assessment, L/NA's gained confidence and felt better

positioned to pursue additional funding.

- ▶ At the end of the pilot, all 28 L/NAs requested a reassessment of their due diligence to update their capacity action plans. This showed the L/NAs' commitment and willingness to invest time in improving their performance.
- ▶ L/NA's valued APH's direct collaboration during the due diligence process, creating a safe and supportive environment for working

Lessons learnt:

- ▶ Smaller L/NAs have requested the creation of a certificate once the assessment is complete. The purpose of this certificate is to provide it to 'receiving organisations' to facilitate the passporting of results.
- ▶ The initiative's success hinges on widespread adoption across the sector, which includes gaining support and coordination from institutional donors. Donors need to actively back and evaluate the learning from passporting efforts to encourage broader sector uptake.
- ▶ Potential to move the focus away from viewing the passported result as the primary benefit of this tool to capacity strengthening through due diligence.
- ▶ C4C members will need to support organisations when approaching international actors. They should encourage international actors to review the assessment results, rather than requesting organisations to undergo a new due diligence process.

Capacity Development Initiatives

Traditionally, due diligence assessments have been predominantly focused on compliance checks and confirming the existence of key policies and internal controls. However, some donors demonstrate an interest in ensuring that the time and resource investment of due diligence assessments also adds value for the potential partner.

The benefits of capacity development initiatives can be summarised as follows:

- ▶ By incorporating capacity development initiatives into due diligence assessments, a partner is encouraged to reflect on their weaknesses and develop an action plan to strengthen these. There are multiple benefits to this. Not only is this likely to increase the partner's ability to manage the current funding, but it will also increase the likelihood of obtaining funding from other donors, potentially unlocking larger opportunities. Moreover, it strengthens the partner itself, through enhancing their control environment making it more resilient and capable in the long run.
- ▶ Capacity building can be viewed as a mechanism to introduce accountability into the partnership, and a mutual interest in completing the due diligence assessments. Not only does this reduce the risk for the donor as they can introduce certain conditions tied to the capacity development plan into the grant agreement, it can also lead to greater transparency during the due diligence assessment and the partnership itself.
- ▶ Jointly developing a capacity development plan can lead to greater collaboration between the donor and the partner. This, in turn, can foster greater trust and a stronger partnership.

Identifying organisations that have implemented capacity development initiatives is not as straightforward as identifying other initiatives. It is likely that some organisations perform an 'informal' capacity development assessment during traditional due diligence assessments, when specific gaps are identified or have their own approach to capacity development through their internal frameworks. ■ Notwithstanding this, there are some organisations who have specifically launched capacity development initiatives and introduced templates to create capacity development plans, such as the Ukraine Humanitarian Fund, detailed in the box to the right.

Case Study: Ukraine Humanitarian Fund (UHF)

The UHF was established in 2019 by UN OCHA and is a country based pooled fund. The aim of the fund is to support NNGOs, INGOs and UN agencies in a quick and flexible manner. In 2023, UHF launched a pilot initiative using a Contextualised Capacity Assessment (CCA) tool, specifically aimed at smaller NGOs and CSOs.

- ▶ To receive funding, partners are required to evidence they meet the minimum requirements of due diligence and then are required to complete a capacity assessment. The aim of the capacity assessment is to assign partners with a risk level, indicating whether they are able to, or not able to receive funding, and the level of funding they can receive.
- ▶ Where partners are considered ineligible to receive funding, UHF will suggest what areas could be improved and can reapply for funding at a later date (10).
- ▶ Risk levels are designed to be dynamic and not static, based upon performance. Consistent satisfactory performance is rewarded through improvement of the risk level.

Certification Initiatives

Certification aims to reduce the need for extensive due diligence through relying on certifications that demonstrate compliance with recognised standards. These are often performed independently for added assurance.

There are several certification initiatives that are being developed globally, such as:

- ▶ **Core Humanitarian Standard** - Organisations can receive certification from the Humanitarian Quality Assurance Initiative (HQAI) on whether they meet the standard. This certification is now being used by the FCDO within their due diligence process. If an organisation holds a certification, the requirements of the due diligence process will be reduced and simplified. From discussions, we understand that gaining accreditation for small, local partners within Ukraine may not be achievable due to the associated cost.
- ▶ **Good Financial Grant Practice Standard** - An international standard certification which can be used by donors, which sets out over 300 points of grant management practices that major funders look for when allocating funding. The certificates are tiered according to type of organisation; bronze, silver, gold and platinum. This does not appear to have been used in Ukraine to date.
- ▶ **European Civil Protection and Humanitarian Aid Operations (ECHO) Certification** - There are three types of certificates that can be awarded to organisations that state the “organisation fulfils the conditions to apply for EU humanitarian funding” (11). From the survey it is understood that few local organisations within Ukraine possess this certification due to the extensive requirements that need to be met. However we understand that many INGOs have achieved this certificate and also accept it as a passport.
- ▶ **UN Partner Portal** - Designed for CSO and local partners to be registered and vetted into a centralised portal. The aim is to encourage harmonization and meet the commitment of the Grand Bargain.

Specific Initiatives to Ukraine:

- ▶ Christain Aid (Ireland) and Philanthropy in Ukraine (PhilinUA) have arranged for all organizations that complete the C4C Due Diligence Passporting Tool to be listed on an online platform ‘PhilinUA’. Organisations who register, are verified to ensure they meet local and international due diligence standards. Once vetted, they are listed in a “catalogue of trustworthy organizations” (9).
- ▶ PhilinUA have also piloted certification of a due diligence tool through their involvement with The National Network of Local Philanthropy Development. This network has developed the Ukraine Pooled Fund (UPF), with the support of the DEC and Start Network (12). The UPF is a funding mechanism managed by a consortium of a Ukrainian organizations. The aim of this fund is to support local and national organisations transparently and efficiently through existing grant mechanisms harmonised with international donor criteria. Further details of this initiative are presented on the following page.

Certification Initiatives

Case Study: Philanthropy in Ukraine Due Diligence

Philanthropy in Ukraine (PhilinUA) have piloted a certification platform to create a pool of “verified” organisations within Ukraine that can then apply for funding through the Ukraine Pooled Fund (UPF).

Organisations complete a questionnaire assessing six blocks of capacity that has been specifically adapted for Ukraine. Answers are then rated using a four-point rating system. The organisation will then receive a “verified” status and allocation to a Tier (1 to 4), and feature on PhilinUA’s verification platform. The allocated tier determines the type and amount of funding that can be applied for (13).

Pilot Successes (14):

- ▶ Whilst uptake was initially low, PhilinUA has seen a rise in the number of organisations that have registered post-pilot. This increase in registrations has been partly driven through an ongoing project with the Help Localization Facility (HLF) whereby HLF outsourced due diligence to PhilinUA (15). As part of this collaboration, PhilinUA adapted their existing tool by adding certain questions, as per the requirements of HLF. Demonstrating the potential to adapt the tool to meet donor requirements and allow organisations to address specific donor questions without undergoing full re-assessments.
- ▶ Participants found the results of the assessment as useful, to better understand their own processes and identify areas for improvement.
- ▶ The difficulty in achieving a 'verified' status demonstrates the thoroughness and rigour of the process. Validity and credibility of certifications was a concern raised in the FGD, where certification was perceived as a tool to access funding and bypass due diligence.
- ▶ The time taken to complete the assessment ranged from two hours to a month. However, 10 to 15 hours was the most frequent option selected in the feedback.

Barriers and challenges:

- ▶ Complexity and clarity remain a challenge - the average score for the assessment of complexity of the verification process was 7.4 out of 10 (0-very easy to 10 - too difficult). Another observation suggested improvements to the wording of questions, for better clarity.
- ▶ There were a range of views on the relevance of questions. Smaller organisations felt there were too many questions, some of which were more relevant to larger organisations. Organisations requested the need to set thresholds which would determine whether participation was required.
- ▶ Organisations wanted training and consulting sessions where they failed to complete the verification so that they feel motivated to repeat the procedure in future.

Future Aims

The certification is a part of a wider programme under the UPF, which aims to establish a sustainable unified funding mechanism that supports local and national organizations through transparent and efficient grant allocation procedures.

Since the official launch of the tool earlier in 2025, PhilinUA used their networks to raise awareness and encourage organisations to register. In terms of learning, marketing the tool is significant, for, example explaining the purpose of the tool, why it is needed, the potential advantages instead of presenting the sole focus of the tool as a mechanism to access funding.

The second phase of the project will see a capacity building program developed, building on the due diligence methodology, and providing training programmes and mentoring. Exchange of best practices among organisations that have been verified is also expected.

Strategic Partnership Initiatives

There are many forums, working groups and advocacy groups in operation across Ukraine, all with the aim of improving due diligence and promoting localisation.

Current partnerships that exist and work within Ukraine include:

- ▶ **Alliance2015** a network of seven INGOs focused on humanitarian and development action. Alliance2015 is currently working on a passporting initiative.
- ▶ **Joint Emergency Response Ukraine (JERU)** is a partnership between Concern Worldwide, Welthungerhilfe and CESVI, who have combined their response effort within Ukraine. In this partnership they have used tools and processes from both organisations, adjusting them as necessary.

From the survey, 19 out of 61 respondents to the survey (31%) have set up or are looking to develop country specific partnership frameworks.

Expected benefits:

- A useful way to support conversations with donors or intermediaries. There was a feeling that donors and intermediaries are more receptive to partnerships and proposed adaptations to due diligence.
- Partnerships can bring together organisations to co design projects, share delivery, resources, policies, overheads and so on.

Barriers to successful implementation:

- ▶ The success of partnerships depends on the focal points of each organisation. If there is a high turnover in focal points, this can create barriers to the success of the partnership where knowledge is lost, and there are disagreements on change to approaches.

Working groups and Think-tanks

Humanitarian NGO' Platform in Ukraine

The NGO Platform supports platform members (as of May 2025 this was 107 members - 36 NGOs, 71 INGOs and 9 observers). Key elements of their work involve to support coordination efforts, exchange information, advocating for members and representing the interest of their members. A Due Diligence Task Force (DDTF) was set up in 2024 working to streamline due diligence discussions within Ukraine.

Due Diligence Community of Practice

The aim is to bring together organisations within the humanitarian sector who are piloting or interested to pilot due diligence initiatives with the aim to share information and learning. This community was established through the CCD harmonisation project, where it was identified that competing projects aimed at due diligence reform needed alignment through a forum. The community has 22 agencies across the sector represented. NGOP is on the Steering Committee.

Alliance UA CSO

Is a thinktank group formed to advocate for a locally led humanitarian response, strengthening the role of national organisations and promoting equitable partnerships. Alliance has developed a Localization Strategy for Ukraine, which touches upon the need to harmonize the due diligence system.

PhilinUA

Philanthropy in Ukraine has been formed to create an ecosystem of trust between those in the sector and donors. Their mission is to enhance the visibility, structure and effectiveness of organizations in Ukraine including developing a mapping platform of Ukrainian CSOs.

Help Localisation Facility (HLF)

This is a global initiative with the aim to strengthen local humanitarian actors through direct funding and the promotion of equitable partnerships.

Section 4: Next Steps

Next Steps

Mapping due diligence initiatives

Mapping ongoing initiatives led by DEC members and NGO platform members within Ukraine. This exercise will aim to provide an overview of all initiatives of NGO platform members to support the DDTF to identify any trends, gaps, and opportunities to pool efforts.

Learning and recommendations report

Develop a learning and recommendations report to set out key findings from the work undertaken.

Awareness

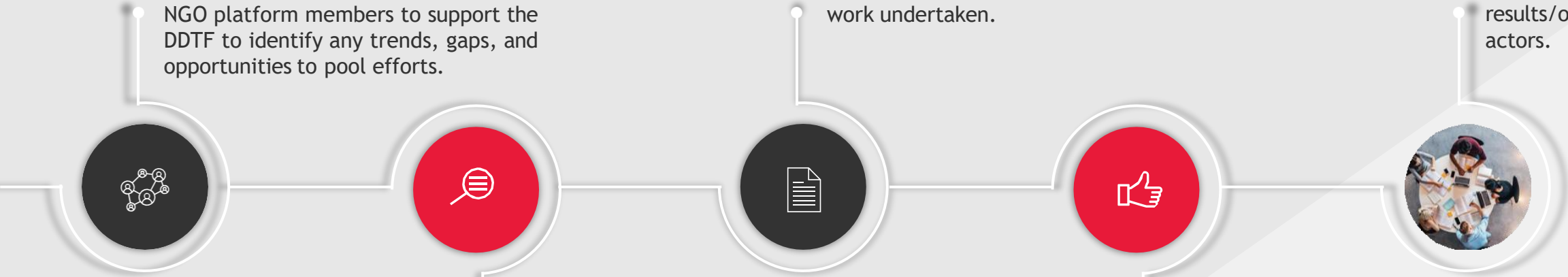
Provide a high-level overview of the work performed and disseminate the main results/outputs to global actors.

Comparative analysis of a sample of due diligence assessments

Identify similarities and difference between due diligence assessments. This will aim to test the DDTF's hypothesis that there is an overlap of at least 80% amongst all due diligence processes of different agencies.

Local organisation focused recommendation report

Bring together the findings from our work on the due diligence assessments and highlight the current due diligence initiatives that are available to local organisations.



Comparative Analysis Topics

For the detailed comparative analysis of frameworks, we have identified the following indicators, split by eight key subject areas, to conduct the analysis. These topics have been identified through previous harmonisation activities as common topics within the sector, focusing solely on administrative capacity of organisations. We will not compare indicators focusing on programmatic capabilities, as it is expected these would differ depending on the focus of the organisation, and even between projects.

Pre-Qualification

- Legal Status
- Governance Structure
- Vision & Mission
- Background checks
- Sanctions
- Financing of Terrorism
- Corruption
- Disclosures
- Litigation

Governance & Accountability

- Management oversight
- Reporting structures
- Laws & Regulations
- Code of Conduct
- Accountability to affected populations
- Feedback mechanisms

Safeguarding

- Policies
- Awareness & Training
- Monitoring
- Culture

Operational Capacity to Deliver Programmes

- Policies
- Work plans
- Risks
- Project management systems
- Monitoring of programmes
- Evaluation of results
- Learning
- Sustainability

Management of Downstream Partners

- Partner selection
- Contracting
- Monitoring
- Areas of development

Financial Capacity to Manage Donor Funds

- Policies
- Systems
- Segregation of Duties
- Personnel
- Financial Statements
- Budget monitoring
- Shared costs
- Audited accounts
- Audit findings

Payments & Cash

- Bank accounts
- Signatories
- Cash payments
- Advances
- Reconciliations
- Online payments
- Security

General Systems & Controls

- Procurement
- Assets
- Inventory
- Information security
- Travel
- Travel security
- Human resources
- Staff roles
- Recruitment
- Diversity, equity & inclusion

Annexes

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B. Survey Questions - NGO Platform Members

As part of our work to date we distributed a survey to NGO platform members (response rate 61 out of 105, 58%) and DEC members with a response rate of (5 out of 15, 33%). The surveys were split into the following sections:

- ▶ Background to the organisation
- ▶ Due diligence processes
- ▶ Undergoing due diligence
- ▶ Perception of due diligence

NGO Platform Member Survey Questions:

Section 1	Background to your organisation
	This part of the survey is designed to gather further information and background to your organisation.
Question No.	Question
1	Name of your organization
2	Type of organization
3	If you answered "Other" please specify.
4	What is the size of your organization? <i>Small: Annual budget less than \$125,000</i> <i>Medium: Annual budget between \$125,000 - \$625,000</i> <i>Large: Annual budget over \$625,000</i>
5	How long has your organisation been operating within Ukraine?
6	What are the top three ways you receive funding?
7	Who are your top three donors?
8	If answered "Other", please specify.
9	Are you a grant making organisation?
10	Which mechanisms does your organisation use to distribute funding?

B. Survey Questions - NGO Platform Members (cont.)

NGO Platform Member Survey Questions (cont.):

Section 2	Due Diligence Processes
	Within this section, we will explore more about the due diligence processes used within your organisation.
Question No.	Question
11	Does your organisation conduct due diligence?
12	Do you have due diligence processes in place?
13	Who is responsible for due diligence in your organisation?
14	If answered "Other", please specify.
15	What areas are covered under your due diligence process?
16	If answered "Other" please list.
17	How often does your organisation conduct due diligence on new partners?
18	How often does your organisation conduct due diligence on existing partners?
19	If answered "Other", please specify.
20	What are the top three challenges your organisation faces when conducting due diligence of partners in Ukraine?
21	If answered "Other", please specify.
22	What are the top three benefits your organisation gains when conducting due diligence of partners in Ukraine?
23	If answered "Other", please specify.

B. Survey Questions - NGO Platform Members (cont.)

NGO Platform Member Survey Questions (cont.):

Section 3	Undergoing due diligence
	This part of the survey aims to understand your experience of taking part in due diligence and how due diligence is perceived within your organisation.
Question No.	Question
24	Approximately in the last two years, how many due diligence exercises has your organisation been through?
25	Which organisations have asked you to complete due diligence in the last two years?
26	Has your organisation participated in any initiatives to:
27	Please share further information on the initiatives you have been involved in.
28	If you have not been involved in any initiatives, is this something you are interested in exploring?
29	Are there any challenges to streamlining due diligence processes (through passporting, harmonisation, certification and so on) based on your experience of undergoing due diligence in Ukraine?
30	If answered "Other", please specify.
31	What are the top three challenges your organisation faces when going through the due diligence process of a donor entity?
32	If answered "Other", please specify.
33	What are the top three benefits your organisation gains when going through the due diligence process of a donor entity?
34	If answered "Other", please specify.

B. Survey Questions - NGO Platform Members (cont.)

NGO Platform Member Survey Questions (cont.):

Section 4	Perception of due diligence
	This part of the survey aims to understand your views on due diligence and how due diligence is perceived within your organisation.
Question No.	To what extent do you agree with the following statements about due diligence? <i>Please rate each statement from strongly agree to strongly disagree.</i>
35	Due diligence is essential for my organisation to receive funding
	Due diligence is viewed as a tick box exercise
	Due diligence is proportional to the size of my organisation
	Due diligence creates barriers to access funding
	Due diligence processes strengthen partnerships with donors
	The due diligence process is too complex and time consuming
	Due diligence is understood well within our organisation
	Due diligence processes are inconsistent between donors
	Donors require a high standard of due diligence in Ukraine
	Due diligence questions reflect the Ukrainian landscape
	Due diligence initiatives such as passporting, harmonisation or certification would make the process more efficient
	My organisation is open to sharing the results of due diligence with other partners, in order to streamline processes

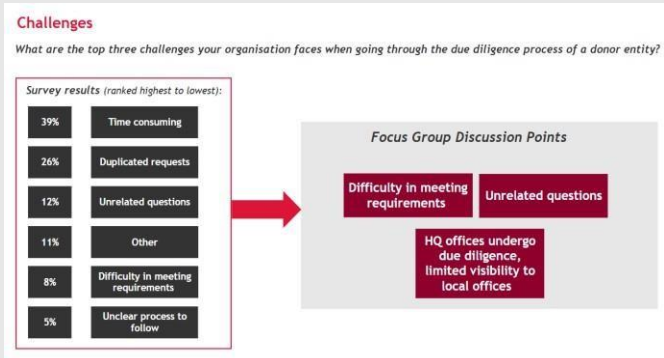
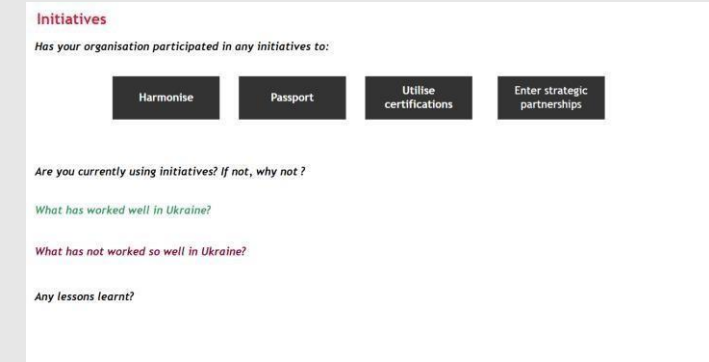
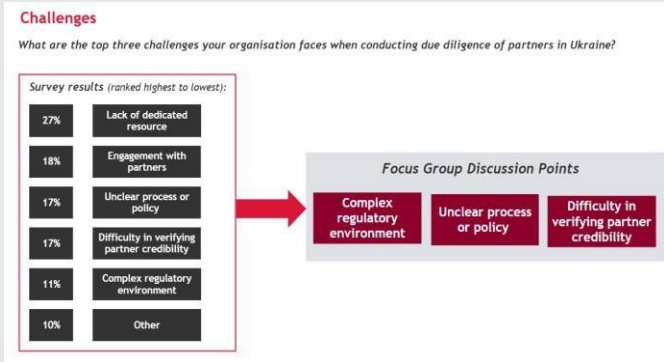
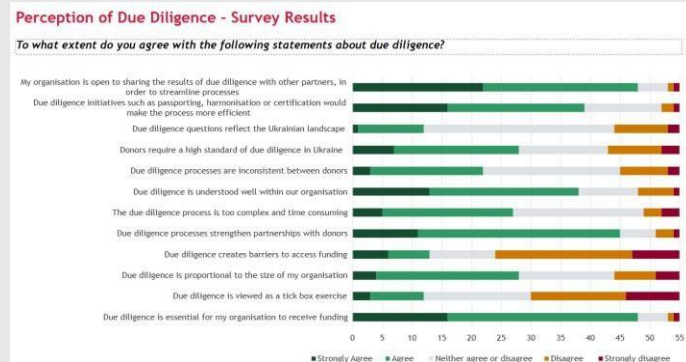
C. Focus Groups- NGO Platform Members

As part of our work to date we undertook two FGDs with both INGOs and NGOs from the Humanitarian NGO platform. The focus groups took place on the 6th May and 13th May. For the first focus group, there were 6 participants and for the second focus group, there were 5 participants.

The focus groups were structured in three parts with an aim to gain further insight and understanding based on experience of:

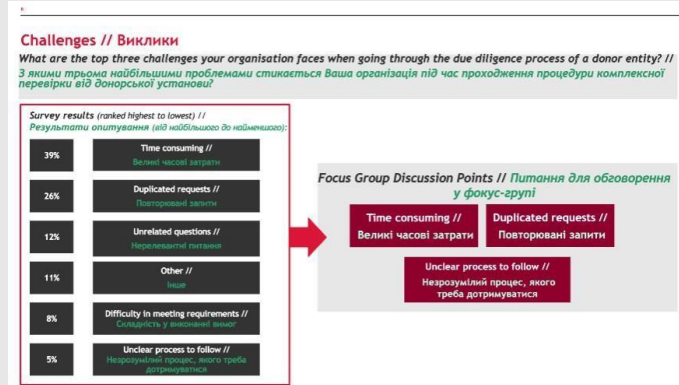
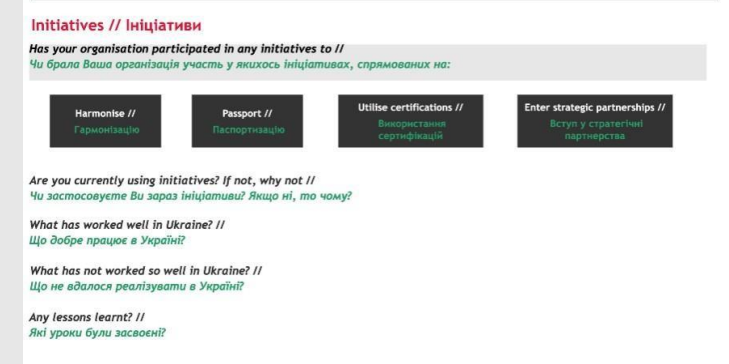
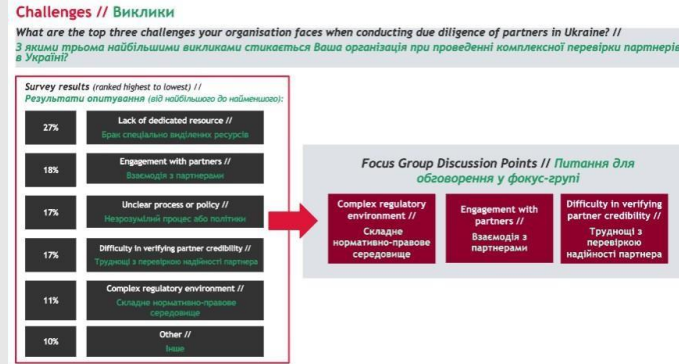
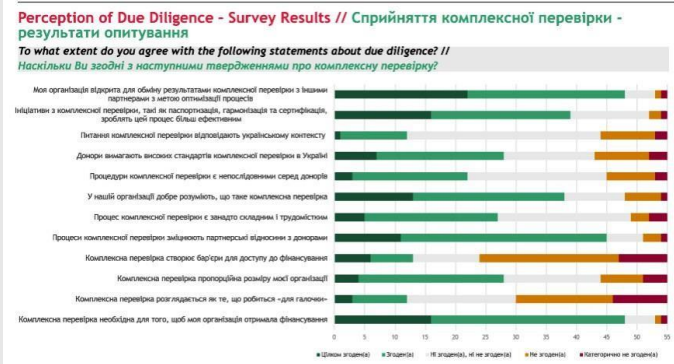
- ▶ Perception of due diligence within Ukraine
- ▶ Key challenges faced with due diligence in Ukraine
- ▶ Due diligence initiatives in Ukraine and lessons learnt.

Extract of FGD 1 presentation:



C. Focus Groups- NGO Platform Members (cont.)

Extract of FGD 2 presentation:



FOR MORE INFORMATION:

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