

# **UK aid to Ukraine**

A rapid review

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# Acronyms

<b>BII</b>	British International Investment
<b>CGD</b>	Centre for Global Development
<b>CRSV</b>	Conflict-related sexual violence
<b>CSO</b>	Civil society organisation
<b>CSSF</b>	Conflict, Stability and Security Fund
<b>DEC</b>	Disasters Emergency Committee
<b>DREAM</b>	Digital Reconstruction Ecosystem for Accountable Management
<b>EBRD</b>	European Bank for Reconstruction and Development
<b>FCDO</b>	Foreign, Commonwealth and Development Office
<b>GBV</b>	Gender-based violence
<b>GDP</b>	Gross domestic product
<b>HRG</b>	Humanitarian Response Group
<b>ICC</b>	International Criminal Court
<b>ICRC</b>	International Committee of the Red Cross
<b>ICT</b>	Information and communications technology
<b>IDPs</b>	Internally displaced populations
<b>IMF</b>	International Monetary Fund
<b>IOM</b>	International Organisation for Migration
<b>LGBTQ+</b>	Lesbian, gay, bisexual, transgender/transsexual and queer people
<b>NATO</b>	North Atlantic Treaty Organisation
<b>NGO</b>	Non-governmental organisation
<b>OCHA</b>	Office for the Coordination of Humanitarian Affairs
<b>ODA</b>	Official development assistance
<b>OPG</b>	Office of the Prosecutor-General
<b>PEACE</b>	Public Expenditures for Administrative Capacity Endurance
<b>PFRU</b>	Partnership Fund for a Resilient Ukraine
<b>PROF</b>	Programme Operating Framework
<b>PSVI</b>	Preventing Sexual Violence in Conflict Initiative
<b>SMEs</b>	Small and medium-sized enterprises
<b>SOE</b>	State-owned enterprise
<b>SOERA</b>	State-Owned Enterprises Reform Activity in Ukraine
<b>TAPAS</b>	Transparency and Accountability in Public Administration and Services
<b>UNFPA</b>	United Nations Population Fund
<b>UNHCR</b>	United Nations High Commissioner for Refugees
<b>UNICEF</b>	United Nations International Children's Emergency Fund
<b>URC</b>	Ukraine Recovery Conference
<b>USAID</b>	United States Agency for International Development
<b>WFP</b>	World Food Programme

# Executive summary

On 24 February 2022, Russia launched a full-scale invasion of Ukraine, following an eight-year conflict. The effects on Ukraine have been catastrophic, displacing around a third of the population and leaving more than 17 million people in need of humanitarian assistance.

Helping Ukraine win the war is one of the UK's top foreign policy priorities, and it has so far provided or pledged around £7 billion in military assistance. The UK is also committed to helping Ukraine 'win the peace', by supporting its recovery as a prosperous and democratic country. To that end, Ukraine has become the largest recipient of UK bilateral assistance, with expenditure of approximately £228 million in 2023-24. The UK has also agreed to provide an unprecedented \$5 billion (£4 billion) in guarantees, to enable Ukraine to access World Bank lending and thereby continue to fund government services and social programmes.

Recognising the strong public interest in UK support for Ukraine, this rapid review provides an account of the UK aid response to the Russian invasion. It focuses on the strategy guiding UK support, and how well the UK has responded to Ukraine's rapidly evolving needs over the past two years. It also examines how well the UK has helped to mobilise international support for Ukraine. As a rapid review, it is not scored.

## Findings

### Humanitarian support

The Foreign, Commonwealth and Development Office (FCDO) reacted early to intelligence reports of a Russian buildup on the Ukrainian border, putting in place preparations for a major humanitarian response. From December 2021, it began identifying supply routes, deploying humanitarian and logistics specialists, and pre-approving allocations to humanitarian partners. The first payments were made the day of the invasion, and a £220 million package of support was announced on 6 March 2022.

The package included a large volume of in-kind support (direct provision of goods and services) provided from across the UK government, including medical supplies from the Department of Health and Social Care, along with donated ambulances, food and support packages for refugees arriving in Poland and Moldova. To help mobilise a large-scale international response from a standing start, FCDO provided financial contributions to regional appeals by the UN, the Red Cross movement and the Disasters Emergency Committee (a coalition of UK humanitarian non-governmental organisations), and seconded staff to UN humanitarian partners. Over the following months, as the international response became established, it shifted towards a more targeted response through specialist partners to support vulnerable groups. Its programming supported children in displacement (United Nations International Children's Emergency Fund), women at risk of gender-based violence (UN Population Fund), emergency infrastructure repairs (International Organisation for Migration) and food supplies for frontline areas (World Food Programme). The programming was informed by a good range of needs assessments and generally performed well in reaching vulnerable groups.

International humanitarian organisations in Ukraine have struggled to partner effectively with Ukrainian civil society organisations (CSOs), which play a central role in the response. One of the objectives FCDO set for its humanitarian programming was to promote a more 'localised' response, in keeping with good humanitarian practice. While FCDO does not have the administrative resources to fund multiple national CSOs directly, it supports them via various intermediaries. Overall, however, in the first year of the response less than 1% of the \$3.5 billion in international humanitarian finance raised for Ukraine was allocated directly to national providers. In our consultations, Ukrainian CSOs raised concerns about the low quality of funding received from international organisations and about cumbersome UN coordination mechanisms. While localisation is a genuinely difficult challenge, especially in a sudden-onset crisis, it will become increasingly important in the coming period, as international funding falls away while humanitarian needs remain high.

### Stabilisation and resilience building

Ukraine is the largest recipient of programming under the UK's cross-department Conflict, Stability and Security Fund (CSSF). Its flagship programme is the Partnership Fund for a Resilient Ukraine (PFRU), a £90

million, multi-donor initiative designed just before the full-scale invasion to build Ukraine's resilience to the Russian threat. Rather than predefining activities, the design emphasises close monitoring of emerging challenges and agile decision-making, with a governance structure that engages with Ukrainian stakeholders at several levels. According to other donors, the UK was chosen to lead the programme because of its technical depth and flexible procurement.

PFRU was one of the first international programmes to re-establish its operations after the invasion, launching various emergency response projects, including helping to establish information hotlines for conflict-affected people and a national tracking system for missing persons, and helping to protect Ukrainian institutions against Russian cyberattacks. As Russian forces were driven back in 2022, it supported early recovery of liberated areas, helping Ukraine's emergency services clear hazards and providing equipment and supplies to enable the resumption of local government and basic services. According to the Ukrainian stakeholders we interviewed, PFRU was not just one of the first international programmes to arrive, but also the most responsive, able to tailor its support to local needs.

PFRU also has activities on civil resistance (for example, helping Ukrainian radio and television reach communities in frontline and occupied areas) and is undertaking activities intended to lay the foundations for sustainable peace. While these are still nascent, we find there is considerable value in having a flexible instrument able to help Ukraine manage the sensitive peacebuilding challenges that lie ahead of it.

### **Rights and accountability**

There has been extensive reporting on Russian war crimes in Ukraine, including indiscriminate shelling of civilian areas, attacks on civilian infrastructure, the torture of prisoners of war and conflict-related sexual violence (CRSV). In March 2023, the International Criminal Court (ICC) issued its first indictments, relating to the forcible transfer of Ukrainian children to Russia.

The UK has pledged £6.2 million to support the investigation of war crimes, providing personnel to the ICC and technical support and training to Ukrainian prosecutors, the judiciary, the national police and relevant agencies, helping them to consolidate some 125,000 individual recorded incidents of alleged war crimes into a set of cases suitable for eventual prosecution. While there is no immediate prospect of bringing Russian military leaders to justice, the UK support is part of a joint international effort to ensure that war crimes are properly investigated. The UK is also helping to build Ukraine's capacity for survivor-centred justice for CRSV. While these systems are still under development, we find evidence of learning on how to support survivors since 2020, when ICAI last reviewed this area. The UK is also supporting the implementation of the Women, Peace and Security agenda – a set of commitments agreed at the UN Security Council on enhancing the role of women in conflict prevention and peacebuilding. It funds a range of Ukrainian women's organisations to engage with government on national policy and is helping to promote gender-sensitive and inclusive planning for reconstruction and recovery.

### **Fiscal support**

The Russian invasion has had a catastrophic impact on Ukraine's economy and public finances. The UK approved £100 million in financial support at the start of the invasion, to help manage the disruption. It has since provided \$2 billion (£1.6 billion) in guarantees for World Bank lending to Ukraine, with another \$3 billion pledged over the next three years. In the first year after the invasion, the international community provided \$14 billion in fiscal support to Ukraine, of which the UK contribution was approximately 10%. The UK guarantees form part of a burden-sharing arrangement among G7 countries and the EU, which paved the way for the International Monetary Fund (IMF) to provide a four-year \$15.6 billion lending facility. The UK was active at the diplomatic level in securing agreement on this package.

The UK guarantees enable the World Bank to lend funds to Ukraine to support specific categories of civilian expenditure – principally, salaries for civil servants, teachers and health workers, and pensions and other social programmes. This is a highly strategic form of support, increasing Ukraine's resilience and helping to prevent it from falling into arrears on public sector salaries and pensions, which would deepen the economic and humanitarian crisis. The use of guarantees, with no upfront cost to the aid budget, enables the UK to provide assistance at a much larger scale than would otherwise be possible. However, it comes at the expense of a

large contingent liability. If Ukraine is unable to service its debt to the World Bank, the UK would take on its repayment obligations, potentially over the next 35 years, with payments peaking at around £375 million per year (equivalent to 3% of the UK's current aid budget) in the early 2030s.

### **Economic reform and anti-corruption**

The UK has provided a wide range of technical assistance to support the government of Ukraine during the crisis and to promote long-term governance reforms. Its support has covered electoral reform, financial inclusion, anti-corruption, reform of state-owned enterprises (SOEs), judicial reform, public financial management and planning for reconstruction and recovery. The assistance is well aligned to Ukraine's needs and the objectives of FCDO's country portfolio. It has helped Ukraine to maintain economic stability in wartime conditions and to meet the conditions associated with IMF lending and EU accession. It has helped to promote energy security in the face of Russian attacks on infrastructure, and to improve Ukraine's ability to support war-affected citizens. The support for judicial reform, privatisation of SOEs and reconstruction planning is intended to create the conditions for eventual large-scale international investment in Ukraine's recovery.

The UK has entered into partnership with the US Agency for International Development (USAID) on anti-corruption. One joint programme has helped Ukraine introduce online services, data platforms and procurement, to improve the transparency of government and reduce opportunities for corruption. These online platforms enabled citizens and firms displaced by the conflict to access public services. A second programme supports reform of SOEs. However, we note that corruption in Ukraine remains a significant risk, both to UK aid funds and to Ukraine's reconstruction and recovery.

While FCDO's governance activities are relevant and useful, the portfolio is broad, given its relatively modest budget, which makes it difficult to discern a clear UK strategy and role alongside other actors. FCDO intends to use 2024 to consolidate its programming around a clearer strategy.

### **Reconstruction and recovery**

The UK has positioned itself as a champion of international investment in Ukraine's reconstruction and recovery. Given an estimated \$486 billion in recovery costs, the UK identifies that much of this will need to come from the private sector, and has been working to prepare the ground for eventual large-scale investment – including from UK firms. In June 2023, the Ukraine Recovery Conference was held in London. It was a high-profile event with extensive ministerial engagement, organised through close collaboration between FCDO and the Department for Business and Trade. It led to the launch of various platforms, partnerships and initiatives, including platforms to support peer-to-peer exchange between Ukrainian and UK businesses, a partnership to increase the availability of insurance for companies operating in Ukraine, and a joint investment platform among international development finance institutions. The UK is also helping Ukraine develop an online platform for managing reconstruction projects, to increase transparency and reduce opportunities for corruption.

The Ukraine Recovery Conference and associated efforts generated an impressive amount of energy around Ukraine's reconstruction. The various initiatives were welcomed by the private sector stakeholders we consulted as helping to prepare the group for eventual large-scale investment. However, stakeholders were also sceptical about the prospects for private investment while the conflict is ongoing, and suggested a more immediate focus on emergency needs, such as infrastructure repairs.

### **Conclusions and recommendations**

Overall, we find that the UK has mobilised an impressive contribution to the response to Russia's invasion, in keeping with Ukraine's strategic importance for UK and European security and the scale and complexity of the crisis it faces. We offer the following recommendations to help strengthen the Ukraine country portfolio.

**Recommendation 1:** FCDO should intensify its support for localisation of the coordination and delivery of the humanitarian response in Ukraine.

**Recommendation 2:** Future FCDO programmes should encompass programming options for different scenarios and the ability to adapt quickly when circumstances change.

**Recommendation 3:** FCDO should strengthen its third-party monitoring and audit arrangements in Ukraine by adding specialist capacity to identify and investigate fraud, corruption and diversion risks to UK aid (including guarantees) across the country portfolio.

**Recommendation 4:** Based on lessons from other post-conflict settings, FCDO's new anti-corruption programme should include support for Ukraine's independent anti-corruption bodies to identify and manage corruption risks associated with large-scale reconstruction programming.



# 1. Introduction

- 1.1 On 24 February 2022, Russia launched a full-scale invasion of Ukraine, escalating an eight-year conflict that began with its 2014 annexation of Crimea. The invasion has had a catastrophic impact on Ukraine. In the year following the invasion, of the 43.3 million people living in Ukraine, 7.7 million sought refuge abroad, 6.3 million were displaced internally, and 17.6 million were left in need of humanitarian assistance.<sup>1</sup> Ukraine has lost nearly a third of its economic output. Reconstruction and recovery costs were estimated in February 2023 at \$486 billion (£385 billion) and continue to rise rapidly.<sup>2</sup>
- 1.2 There has been an outpouring of international military, economic and humanitarian support for Ukraine, with over £200 billion committed in 2022 and 2023.<sup>3</sup> However, Ukraine will need around £30 billion a year in financial support in 2024, to fund government, public services and social programmes.<sup>4</sup> As the war becomes protracted, the willingness of the international community to continue support at this level remains uncertain.
- 1.3 The UK has made a strong commitment to helping Ukraine win the war. A 2023 restatement of the UK's national foreign and security policy states that "our collective security now is intrinsically linked to the outcome of the conflict in Ukraine".<sup>5</sup> The UK has so far provided £4.6 billion in military assistance, and has announced a further £2.5 billion for 2024.<sup>6</sup> It has also pledged to help Ukraine 'win the peace', by supporting its institutional, economic and social resilience and its recovery as a prosperous and democratic country. Ukraine is now the largest recipient of UK bilateral aid, with around £228 million in grants in 2023-24, together with a programme of guarantees to support Ukraine's borrowing from international financial institutions.<sup>7</sup> There has also been a major response from the UK public. The Disasters Emergency Committee, which brings together the UK's leading aid charities, raised £420 million through its public appeal in response to the Ukraine crisis.<sup>8</sup>
- 1.4 Recognising the strong interest from Parliament and the public in UK support for Ukraine, this rapid review provides an account of the UK aid response to the Russian invasion. It assesses the overall strategy, the choice of instruments and the quality of delivery. It considers the UK's initial emergency response, and how flexibly it has responded to Ukraine's rapidly evolving needs over the past two years. It also assesses the UK's contribution to mobilising international support for Ukraine and preparing for Ukraine's reconstruction and recovery.
- 1.5 This report is structured as follows. Following a description of our methodology (**Chapter 2**) and the background to UK assistance to Ukraine (**Chapter 3**), we present our findings across six thematic areas (**Chapter 4**), followed by summary answers to our review questions (**Chapter 5**), and ending with conclusions and recommendations (**Chapter 6**).

1 Figures as of December 2022. *Humanitarian needs overview: Ukraine*, United Nations Office for the Coordination of Humanitarian Affairs, 2022, [link](#).

2 *Ukraine: Third Rapid Damage and Needs Assessment*, World Bank, Government of Ukraine, European Union and United Nations, February 2024, [link](#).

3 *Ukraine support tracker - a database of military, financial and humanitarian aid to Ukraine*, Kiel Institute for the World Economy, 2023, [link](#).

4 *2023 Article IV consultation*, International Monetary Fund, December 2023, [link](#).

5 *Integrated Review refresh 2023*, HM Government, March 2023, p. 8, [link](#).

6 *Military assistance to Ukraine since the Russian invasion*, Claire Mills, Research Briefing, House of Commons Library, January 2024, pp. 13-14, [link](#).

7 *Ukraine: UK aid and humanitarian situation 2022-23*, Philip Loft and Philip Brien, Research Briefing, House of Commons Library, March 2023, [link](#).

8 *Ukraine humanitarian appeal*, Disasters Emergency Committee website: [link](#).

## 2. Methodology

- 2.1 This review covers the UK's aid response to the February 2022 invasion of Ukraine. It focuses on support for Ukraine itself, rather than for Ukrainian refugees in neighbouring countries and the UK. As a rapid review, the assessment was desk-based, without a visit to Ukraine. It involved interviews with Foreign, Commonwealth and Development Office (FCDO) staff, Ukrainian government officials, other development partners and implementers, and the review of over 500 FCDO strategy and programming documents. The main elements of the methodology were:
- **Strategic review:** A review of the strategies and approaches guiding UK aid for Ukraine, and how well the country portfolio supports the UK's strategic objectives.
  - **Thematic deep dives:** Reviews of programming choices in seven thematic areas from FCDO's Ukraine country plan: humanitarian assistance, fiscal support, anti-corruption, economic and business environment reform, stabilisation, rights and accountability, and mobilising investment for Ukraine's reconstruction and recovery.
  - **Annotated bibliography:** A summary of recent data and analysis on the Ukrainian context, primarily from 'grey' literature produced by international organisations and research institutes. The annotated bibliography is published separately.<sup>9</sup>
  - **Stakeholder workshops:** Three workshops with key stakeholder and expert groups: international and Ukrainian non-governmental organisations involved in the humanitarian response; Ukrainian academics and think tanks; and private sector businesses potentially interested in participating in Ukraine's reconstruction.
- 2.2 Altogether, we reviewed around 600 documents and interviewed 157 key informants, and 30 people participated in our workshops.
- 2.3 The review questions are set out in **Table 1**. Given that this is a rapid review of an ongoing crisis, we have not attempted to judge the impact of UK assistance on the Ukrainian people, instead focusing on the UK's responsiveness to Ukraine's needs and priorities.

9 *Annotated bibliography for ICAI's rapid review of UK aid to Ukraine*, Independent Commission for Aid Impact, April 2024.

Table 1: Review questions

Review criteria and questions	Sub-questions
<p><b>1. Relevance:</b> Is UK aid to Ukraine guided by a clear strategy?</p>	<p>a) To what extent does UK aid to Ukraine reflect the UK’s strategic objectives and Ukraine’s needs and priorities?</p> <p>b) How well does UK aid respond to the needs of vulnerable people in Ukraine, including women and girls, and reflect international humanitarian principles?</p> <p>c) To what extent is the UK response guided by learning from past crises?</p>
<p><b>2. Effectiveness:</b> How well is UK aid to Ukraine being delivered?</p>	<p>a) How well did the UK mobilise a rapid aid response following the February 2022 invasion?</p> <p>b) How suitable are the UK’s choices of aid instruments and delivery channels, and how well does the UK government manage corruption risks?</p> <p>c) How well is the UK aid portfolio contributing to developing national leadership and capacity?</p>
<p><b>3. Coherence:</b> How well has the UK used its funding and influence to promote coherent international aid support for Ukraine?</p>	<p>a) How well has the UK supported the mobilisation and coordination of international aid for Ukraine?</p> <p>b) How well does the UK work with Ukrainian, other bilateral and multilateral partners?</p>

## 3. Background

### The Russian invasion and its consequences

- 3.1 Since opting for independence in 1991 after the dissolution of the Soviet Union, Ukraine has been torn by sharp divisions between those favouring integration with the EU and the North Atlantic Treaty Organisation (NATO), and supporters of alliance with Russia. In 2013, a decision by the Ukrainian government to abandon the EU integration process led to public protests (known as “Euromaidan”, after Kyiv’s main square, or the “Revolution of Dignity”) and the collapse of the government.<sup>10</sup> Shortly afterwards, Russian forces began to infiltrate Ukrainian territory and to arm and support insurgencies in the eastern provinces of Crimea, Donetsk and Luhansk. In March 2014, Russia purported to annex Crimea.<sup>11</sup>
- 3.2 Since the 2019 election of the current government, led by political outsider Volodymyr Zelensky, Ukraine has intensified its pursuit of both EU and NATO membership.<sup>12</sup> (While NATO has granted Ukraine partnership status, it has made no commitment on membership.) During 2021, Russia began to amass troops along the Ukrainian border, while demanding guarantees against further NATO expansion. On 24 February 2022, it launched its full-scale invasion, spuriously framed as a limited military operation designed to ‘de-Nazify’ the country and protect the Russian-speaking population.<sup>13</sup>
- 3.3 The initial Russian assault penetrated deep into Ukrainian territory, reaching the suburbs of Kyiv and placing several major cities under siege. However, it encountered strong Ukrainian resistance and by October 2022 had been driven back from significant areas in the north and southeast.<sup>14</sup> Since then, the frontline has been relatively static, leaving Russia in control of approximately 18% of Ukrainian territory (see **Figure 1**). Intense fighting continues in frontline areas, and Russia continues to launch long-range missile and drone attacks against Ukrainian population centres and infrastructure.<sup>15</sup> The Russian assault is hybrid in nature, combining military action with cyberattacks and misinformation.<sup>16</sup> The population in Russian-controlled areas has been subject to aggressive ‘Russification’ campaigns, including the deportation of children, changes to school curricula and measures compelling the population to take Russian passports.<sup>17</sup> There is mounting evidence that Russian forces are responsible for large-scale atrocities, including torture, ill-treatment, sexual violence and summary execution of civilians. Russia’s conduct has led to indictments by the International Criminal Court.<sup>18</sup>

10 “Ukraine’s revolution of dignity: The dynamics of Euromaidan”, Yiriy Shveda and Joung Ho Park, *Journal of Eurasian Studies*, 7(1), 2016, [link](#).

11 *Conflict in Ukraine: A timeline (2014 – eve of 2022 invasion)*, Nigel Walker, House of Commons Library, 2023, [link](#).

12 *Constitution of Ukraine 1996*, United Nations High Commissioner for Refugees, June 1996, [link](#).

13 *Ukraine’s struggle for independence in Russia’s shadow 1991 - 2024*, Council on Foreign Relations, [link](#).

14 *Conflict in Ukraine: A timeline (current conflict, 2022 – present)*, Nigel Walker, House of Commons Library, 2023, [link](#).

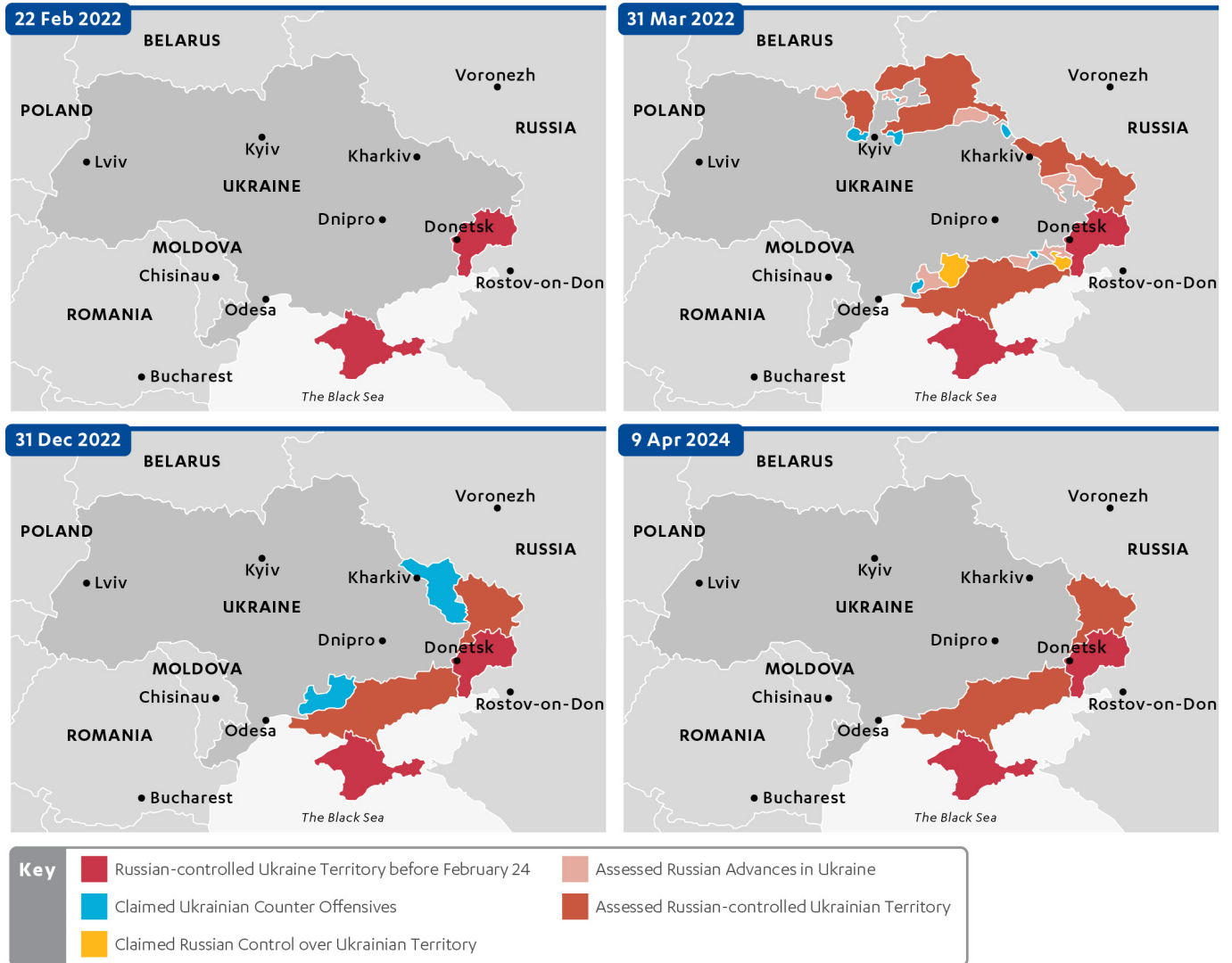
15 *War in Ukraine*, Centre for Preventative Action, Global Conflict Tracker, 2024, [link](#).

16 “Inside the Kremlin’s Year of Ukraine Propaganda”, Vera Bergengruen, *Time*, February 2023, [link](#); *Ukraine: Third Rapid Damage and Needs Assessment*, World Bank, Government of Ukraine, European Union and United Nations, February 2024, [link](#).

17 *Fourth interim report on reported violations of international humanitarian law and international human rights law in Ukraine*, Office for Democratic Institutions and Human Rights, December 2023, [link](#).

18 *Ukraine: Situation in Ukraine*, International Criminal Court, March 2022, [link](#).

Figure 1: Shifts in the frontline since the full-scale Russia invasion



Source: Institute for the Study of War and AEI Critical Threats Project, [link](#)

3.4 The UN has reported that the war has claimed an estimated 10,000 civilian lives<sup>19</sup> and led to a complex, large-scale humanitarian crisis. In the course of 2022, 7.7 million Ukrainians sought refuge across Europe and 6.3 million were internally displaced. By the end of 2022, 17.6 million were in need of humanitarian assistance, representing 49% of those who remained in Ukraine.<sup>20</sup> Russia’s attacks on Ukrainian civil energy, heating and water infrastructure exacerbated the humanitarian crisis, as did its destruction of the Kakhovka dam in June 2023, which directly affected around 100,000 people and compromised water and electricity supplies for over a million people.<sup>21</sup> In early 2024, the UN estimates that 14.6 million people remain in need of humanitarian support (see **Table 2**), representing around 40% of the current population. This includes 3.3 million people living in dangerous conditions in frontline communities, who face a daily struggle to secure basic needs. Many of the 3.7 million internally displaced have now exhausted their resources, and the impact of the invasion on Ukraine’s economy has led to a fivefold increase in poverty levels since the start of the war (from 5% to 25%).<sup>22</sup>

19 “Troop deaths and injuries in Ukraine war near 500,000, US officials say”, Helene Cooper, Thomas Gibbons-Neff, Eric Schmitt and Julian E. Barnes, *New York Times*, 2023, [link](#); *Ukraine: Third Rapid Damage and Needs Assessment*, World Bank, Government of Ukraine, European Union and United Nations, February 2024, [link](#).

20 Figures as of December 2022, *Humanitarian needs overview: Ukraine*, United Nations Office for the Coordination of Humanitarian Affairs, 2022, [link](#).

21 *Post-disaster needs assessment: 2023 Kakhovka dam disaster, Ukraine*, Government of Ukraine and United Nations, October 2023, [link](#).

22 *Ukraine Humanitarian Needs and Response Plan and the Regional Refugee Response Plan*, United Nations Office for the Coordination of Humanitarian Affairs, January 2024, [link](#); “Managing Director for Operations Bjerde’s remarks at the 2023 Ukraine Recovery Conference”, Anne Bjerde, World Bank, 21 June 2023, [link](#).

3.5 The Ukrainian economy contracted by around 29% in the first year of the conflict, leading to heavy loss of jobs and incomes across the country. A joint assessment<sup>23</sup> by the World Bank, the government of Ukraine and other development partners values the physical damage to buildings and infrastructure at approximately \$152 billion. Around 2 million housing units, or 10% of the housing stock, have been destroyed or damaged, and there has been heavy damage to transport and energy infrastructure. Economic losses from disruption to commerce, industry, agriculture and other economic sectors are valued at \$499 billion. Ukraine’s long-term recovery and reconstruction needs are now estimated to have reached \$486 billion. By way of comparison, total bilateral official development assistance worldwide from all donor countries was \$183.3 billion in 2022.<sup>24</sup>

Table 2: Numbers of people in humanitarian need by UN humanitarian cluster and year<sup>25</sup>

UN humanitarian cluster	2022 Needs Assessment <sup>26</sup>	2023 Needs Assessment	2024 Needs Assessment
Education	252,000	5.3 million	1.2 million
Health	1.5 million	14.6 million	7.8 million
Protection (security, child protection, gender-based violence and mine action)	2.5 million	15.4 million	11.5 million
Food security and livelihoods	1.1 million	11.1 million	7.3 million
Shelter and non-food items	158,000	8.3 million	7.9 million
Water, sanitation and hygiene	2.5 million	11.0 million	9.6 million
<b>Total people in need</b>	<b>2.9 million</b>	<b>17.6 million</b>	<b>14.6 million</b>

### Ukraine’s path to Europe

3.6 On 28 February 2022, five days after Russia’s full-scale invasion, Ukraine presented its application for EU membership. In June 2022, Ukraine was formally granted EU candidate status, and membership negotiations were opened in December 2023. Achieving EU membership will require Ukraine to meet a set of demanding political and economic criteria (including on democracy, the rule of law, human rights and a functioning market economy), and to implement an ambitious programme of reforms to align with rules of the EU single market. In its opinion on Ukraine’s application for EU membership, the European Commission found that Ukraine had made good progress on judicial reform and ‘some progress’ on tackling issues of oligarchy and corruption, but noted that there were challenging reforms still to come.<sup>27</sup>

3.7 Following the collapse of the Soviet Union, Ukraine emerged as an independent country with deep-seated governance and economic challenges. Its economy was dominated by a large number of state-owned enterprises and banks, many of which came to be controlled by powerful business interests. These ‘oligarchs’ controlled key institutions in government and the judiciary, creating deeply entrenched corruption.<sup>28</sup> While Ukraine launched a series of anti-corruption and other governance reforms in the years following the Euromaidan uprising, these have faced resistance from vested interests.<sup>29</sup> The Zelensky

23 *Ukraine: Third Rapid Damage and Needs Assessment*, World Bank, Government of Ukraine, European Union and United Nations, February 2024, [link](#).

24 *Aid in 2022: Key facts about official development assistance*, Development Initiatives, [link](#).

25 Sources: *Humanitarian needs overview: Ukraine*, United Nations Office for the Coordination of Humanitarian Affairs, 2022, [link](#); *Humanitarian Needs and Response Plan: Ukraine*, United Nations Office for the Coordination of Humanitarian Affairs, 2023, [link](#).

26 *Humanitarian needs overview: Ukraine*, United Nations Office for the Coordination of Humanitarian Affairs, February 2022, [link](#). This was published pre-full-scale invasion in February 2022 and only describes humanitarian needs in the conflict-affected oblasts of Donetsk and Luhansk.

27 *Supporting Ukraine’s EU accession process*, European Parliament, 2023, [link](#); *Commission opinion on Ukraine’s application for membership of the European Union*, European Commission, 2022, [link](#).

28 *Corruption and private sector investment in Ukraine’s reconstruction*, Nick Fenton and Andrew Lohsen, Centre for Strategic and International Studies, November 2022, p. 2, [link](#).

29 *Ukraine takes two steps forward, one step back in anti-corruption fight*, Veronika Melkozerova, Politico, December 2022, [link](#).

government has taken an aggressive stance against oligarchs, including the passage of ‘de-oligarchisation’ laws designed to limit their control over political parties, government and the media.<sup>30</sup>

- 3.8 Ukraine has made important steps on tackling corruption, establishing independent anti-corruption agencies and moving many government services and functions online, which promotes transparency and reduces opportunities for corruption.<sup>31</sup> Ukraine’s ranking in international governance indices has improved,<sup>32</sup> but the Corruption Perceptions Index in 2022 still ranked it 104th out of 180 countries – the second-lowest of any European country, after Russia. Corruption remains a significant risk to Ukraine’s European integration and its ability to attract the international finance it needs for reconstruction and recovery. Nonetheless, analysis by the Foreign, Commonwealth and Development Office (FCDO) suggests that the war has weakened the position of the oligarchs and reduced public tolerance for corruption, creating more political space to press ahead with reform.
- 3.9 In 2023, Ukraine’s gross domestic product (GDP) per capita was \$5,225, the lowest in Europe and less than a quarter of Poland’s.<sup>33</sup> Yet it also has many economic resources, including natural gas and mineral reserves, technically advanced manufacturing (including aerospace), a productive agriculture sector and pockets of economic sophistication, including a growing information technology sector, making it a potentially attractive destination for investment once security conditions stabilise.<sup>34</sup> Compared to other countries that have undertaken post-conflict reconstruction in recent years, Ukraine has much more effective government institutions. It also has a vibrant civil society, which has been vital to the delivery of humanitarian relief and will be a key stakeholder in the country’s reconstruction and European integration.<sup>35</sup>

### International support for Ukraine

- 3.10 The full-scale Russian invasion has led to a huge mobilisation of international support for Ukraine. Between January 2022 and January 2024, the international community committed £217 billion in total support, including £92 billion in military support and £125 billion in official development assistance (ODA) (financial and humanitarian assistance).<sup>36</sup> There has also been a huge mobilisation of private support, including from public appeals, the private sector and charitable foundations, estimated at £1.6 billion.<sup>37</sup>
- 3.11 Looking at total support (both military and ODA, and including loans and guarantees), the EU (£73 billion) and the US (£59 billion) have made the largest commitments, followed by Germany (£19 billion) and the UK (£14 billion).<sup>38</sup> In February 2024, the EU provisionally agreed to provide €50 billion (£42.8 billion) of support over four years, consolidating its various loans and grants into a single instrument called the Ukraine Facility.<sup>39</sup> The support comes with a range of policy conditions covering democratic reform, green transitions and the development of a masterplan called the ‘Ukraine Plan’, in consultation with the European Parliament and civil society.
- 3.12 A range of international donors, including the UK, have been providing budget support for Ukraine via the World Bank, which has raised over £42 billion, of which £36 billion had been disbursed by April 2024, primarily as loan finance to the government of Ukraine.<sup>40</sup> In 2023, the International Monetary Fund approved a new £12.3 billion, four-year Extended Fund Facility for Ukraine. It formed part of a wider,

30 *Ukraine’s Zelensky continues campaign against oligarchs*, Elena de Bre, Organized Crime and Corruption Report Project, 30 June 2021, [link](#); *De-oligarchization of Ukraine is President Zelenskyy’s top priority*, Andriy Yermak, Atlantic Council, November 2021, [link](#).

31 *Corruption and private sector investment in Ukraine’s reconstruction*, Nick Fenton and Andrew Lohsen, Centre for Strategic and International Studies, 2022, p. 2, [link](#); *Public governance in Ukraine: Implications of Russia’s war*, Organisation for Economic Cooperation and Development, 2022, [link](#); *Ukraine: Digital resilience in a time of war*, George Ingram and Priya Vora, Brookings, January 2024, [link](#).

32 *Worldwide Governance Indicators*, World Bank, [link](#); *Countries and Territories: Democracy Scores*, Freedom House, [link](#); *World Press Freedom Index: Ukraine*, Reporters Without Borders, [link](#).

33 *GDP per capita, current prices*, International Monetary Fund, 2024, [link](#).

34 *Enabling Ukraine’s economic transformation: Recovery, reconstruction & modernization*, Conor M. Savoy and Janina Staguhn, Centre for Strategic and International Studies, [link](#).

35 *“In the Ukraine war, a battle for the nation’s mineral and energy wealth”*, Anthony Failola and Dalton Bennett, *The Washington Post*, 2022, [link](#).

36 *Ukraine’s other army: Civil society through the lens of citizen finance and volunteering*, Olena Leonchuk, Alexander Nisetich et al., Research Triangle Institute, 2023, [link](#); *The resilience and trauma of Ukraine’s civil society*, Kateryna Zarembo, Carnegie Europe, 2023, [link](#).

37 *Ukraine support tracker data*, Kiel Institute for the World Economy, February 2024, [link](#).

38 *Philanthropic response to the war in Ukraine*, Candid, [link](#).

39 *Ukraine support tracker data*, Kiel Institute for the World Economy, February 2024, [link](#).

40 *Ukraine Facility: Council and Parliament agree on new support mechanism for Ukraine*, European Council, 2024, [link](#).

41 *World Bank Group financing support mobilization to Ukraine since February 24, 2022*, World Bank, [link](#).

£90 billion package of support agreed by the G7 countries, the EU and other major donors as part of an international burden-sharing arrangement.<sup>41</sup>

- 3.13 Ukraine is dependent on this international support, which pays for the continuing operations of the civilian government, enabling Ukraine to spend almost its entire public resources on the war effort.<sup>42</sup> Ukraine's 2024 budget has a deficit of approximately \$40 billion. The international budget support has enabled Ukraine to continue to pay civil servant salaries, fund its pensions and social assistance programmes, and continue with basic services such as health and education. This reduces the need for humanitarian assistance and makes Ukraine better able to resist the economic and social pressures created by the invasion. Its civilian financing needs are estimated at over \$2.5 billion per month in 2024.<sup>43</sup>
- 3.14 It is uncertain how long the international community will be willing and able to maintain this level of support, given the many competing needs around the world. The EU's Ukraine Facility was held up until recently by opposition from Hungary, while the latest US contribution was only passed by Congress after a lengthy delay.<sup>44</sup>

### The UK's support for Ukraine

- 3.15 The UK has made helping Ukraine win the war a central plank of its foreign policy, considering it vital to UK and European security.<sup>45</sup> It is also committed to helping Ukraine 'win the peace' – that is, to emerge from the war a democratic state and part of the Western alliance. This means helping Ukraine to resist the multiple pressures exerted by the invasion on its political system, economy and society and, in due course, mobilising large-scale investment in its reconstruction and economic recovery. The 2022 International Development Strategy signals a new role for UK development partnerships in Eastern Europe, in the face of Russian aggression, in supporting communities affected by conflict and helping promote "economic and social freedoms" in the face of "malign influence"<sup>46</sup> – although this receives notably less emphasis in the 2023 White Paper.<sup>47</sup>
- 3.16 The UK has backed this commitment with substantial aid resources. From a modest UK country portfolio of £31.2 million in 2021 (making Ukraine the 32nd-largest country programme),<sup>48</sup> Ukraine is now the largest recipient of UK bilateral funding by a considerable margin, at an estimated £228 million in the financial year 2023-24, and is expected to remain the largest in 2024-25.<sup>49</sup>

41 IMF Executive Board approves US\$15.6 billion under a new Extended Fund Facility (EFF) arrangement for Ukraine as part of a US\$115 billion overall support package, International Monetary Fund press release, March 2023, [link](#).

42 Ukraine's funding gap – by the numbers, Giovanna Coi and Lucia Mackenzie, Politico, 2024, [link](#).

43 Remarks by the IMF Managing Director at the Fourth Ministerial Roundtable Discussion for Support to Ukraine, Kritalina Georgieva, International Monetary Fund, October 2023, [link](#).

44 Is EU support for Ukraine back on track? Sebastien Maillard and Armida van Rij, Chatham House, 2024, [link](#).

45 Integrated Review refresh 2023, HM Government, March 2023, p. 8, [link](#).

46 The UK Government's Strategy for International Development, UK Government, May 2022, p. 26, [link](#).

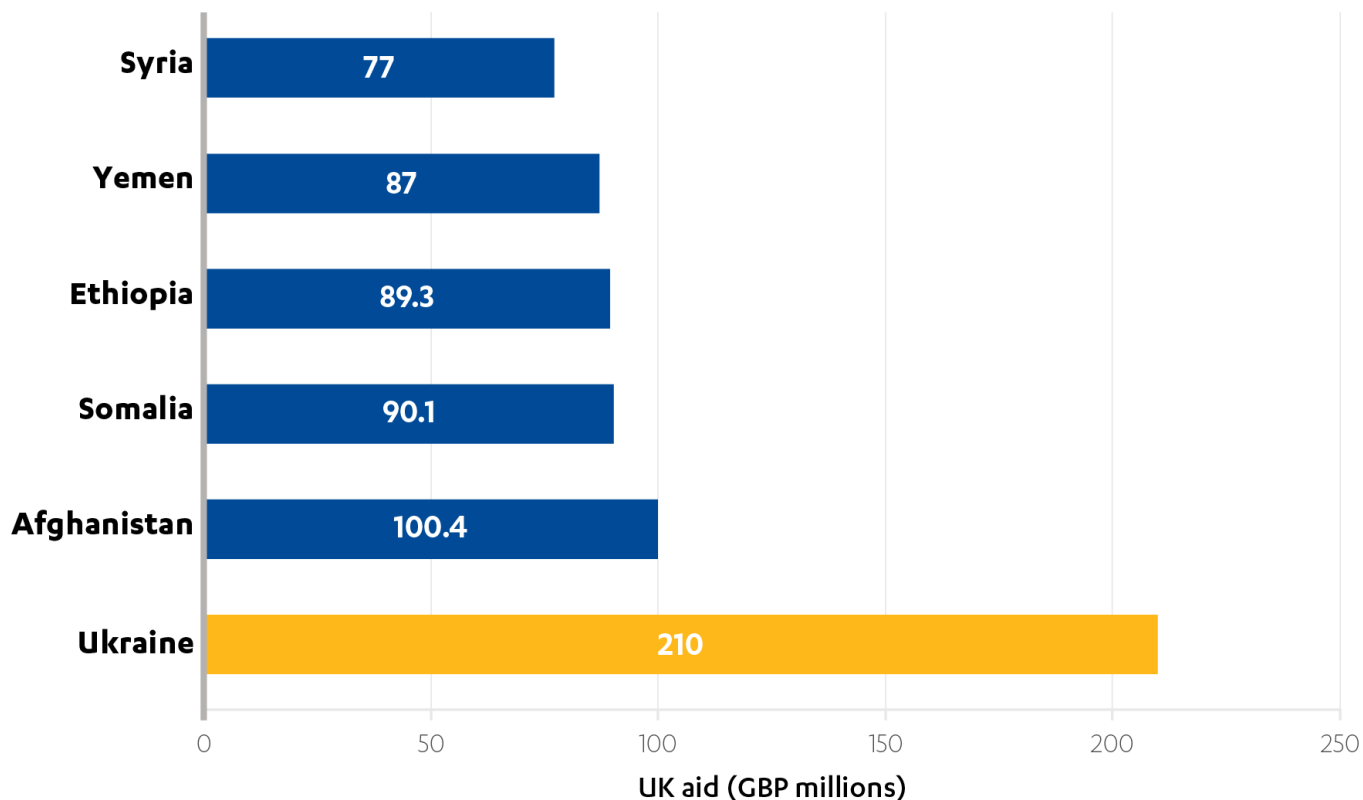
47 International development in a contested world: ending extreme poverty and tackling climate change, UK Government, November 2023, [link](#).

48 Statistics on International Development: final UK aid spend 2021, Foreign, Commonwealth and Development Office, March 2023, [link](#).

49 Annual Report and Accounts 2022-23, Foreign, Commonwealth and Development Office, 2023, p. 268, [link](#).



Figure 2: Largest country recipients of UK aid 2023-24 (planned FCDO expenditure)



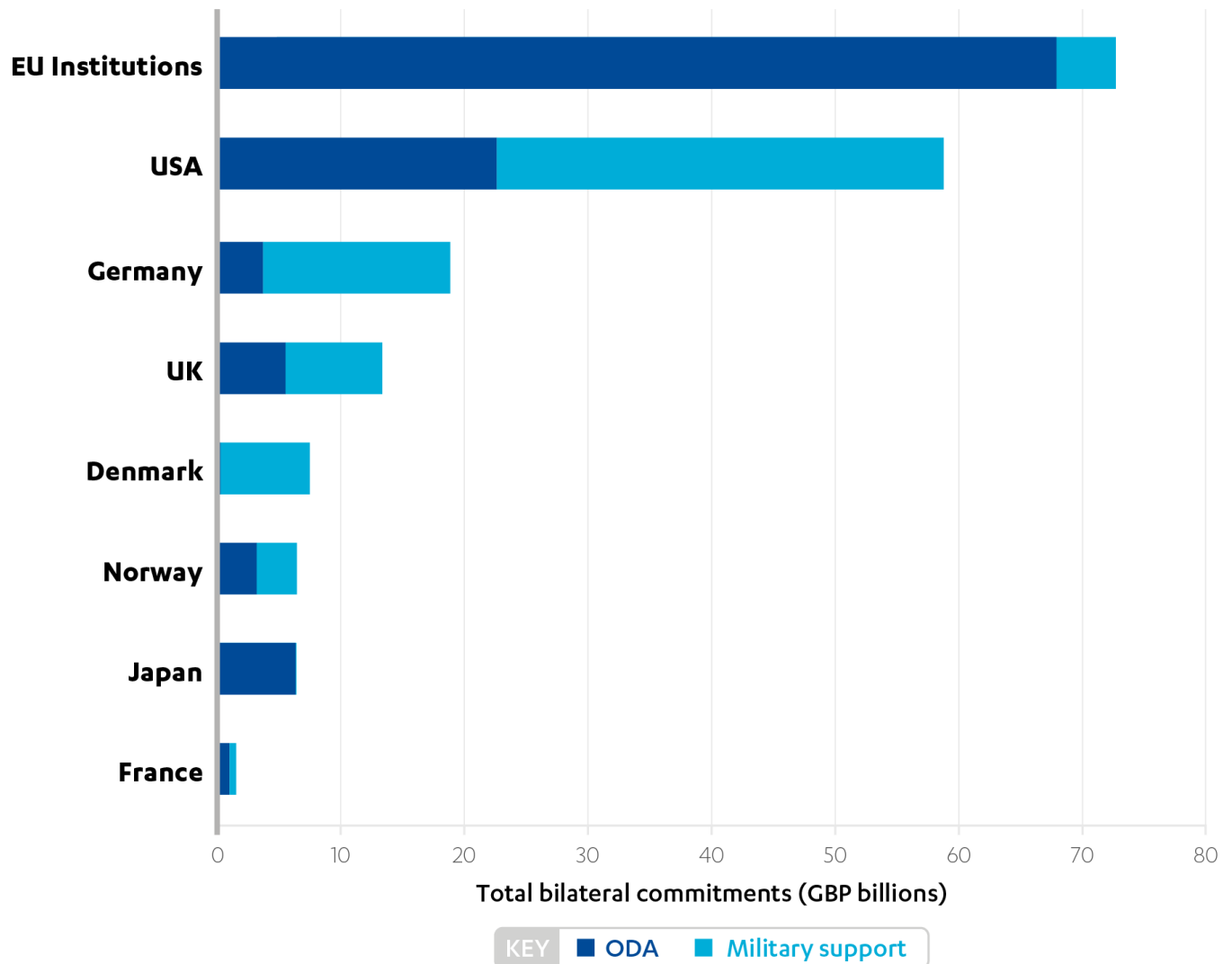
Source: Annual Report and Accounts 2022-23, Foreign, Commonwealth and Development Office, 2023, p. 268, [link](#)

3.17 Although not within the scope of this review, the UK has also provided substantial military support, with £7.1 billion pledged since the beginning of the full-scale invasion.<sup>50</sup> Though well behind the US and the EU, the UK's ODA support for Ukraine places it in the middle of the pack of G7 donors – behind Germany, but ahead of Japan and France.<sup>51</sup>

50 *Military assistance to Ukraine since the Russian invasion*, Research Briefing, House of Commons Library, 2024, [link](#).

51 *Data set: Ukraine support tracker data*, Kiel Institute for the World Economy, February 2024, [link](#).

Figure 3: UK support for Ukraine alongside other major donors (commitments, 2022 and 2023)



Source: Ukraine support tracker data, Kiel Institute for the World Economy, [link](#)

3.18 The three largest FCDO baseline programmes in Ukraine are:<sup>52</sup>

- A three-year humanitarian programme of £357 million, of which the vast majority was spent in Ukraine and the remainder went to supporting Ukrainian refugees in neighbouring countries.
- A three-year, £80 million programme on energy security, which supports emergency repairs to Ukraine’s electricity infrastructure and planning for an eventual clean energy transition.
- A three-year, £38 million Good Governance Fund, which provides advisory and technical support for Ukraine’s reform efforts, including reforms to support the economy and for the judiciary, anti-corruption and elections.

3.19 The UK has also provided \$2 billion (£1.6 billion) in fiscal support for Ukraine, in the form of guarantees for World Bank lending, with a further \$3 billion (£2.4 billion) pledged over the next three years. These guarantees do not involve any upfront payment and are therefore not counted towards the UK aid budget. However, if Ukraine is unable to service the resulting debt, the UK would be obliged to make repayments on its behalf, which would be drawn from the UK aid budget in future years.

3.20 Ukraine is also the largest recipient of programming from the cross-government Conflict, Stability and Security Fund, with a portfolio of £40 million for 2023-24. The Fund supports activities on stabilisation, accountability for war crimes, women, peace and security, strategic communications and security sector reform.

52 Policy paper: UK-Ukraine development partnership summary, Foreign, Commonwealth and Development Office, July 2023, [link](#).

3.21 The FCDO country plan for Ukraine includes several objectives that are supported by aid programming, including emergency response, security sector reform, promoting economic stability, stabilisation, democracy and good governance, and early recovery and reconstruction. The UK has been a vocal supporter of international public and private investment in Ukraine. The Ukraine Recovery Conference, held in London on 21-22 June 2023 and hosted jointly with the government of Ukraine, focused on mobilising international support for Ukraine's economic and social stabilisation and recovery.<sup>53</sup> Approximately £10 million in aid funds was spent on the conference.

53 See the Ukraine Recovery Conference website: [link](#).

## 4. Thematic findings

4.1 This section sets out our findings on the UK's aid to Ukraine across six thematic areas: the humanitarian response; stabilisation; rights and accountability; fiscal support; economic reform and anti-corruption; and reconstruction and recovery.

### The humanitarian response

4.2 The Foreign, Commonwealth and Development Office (FCDO) monitored the Russian troop buildup on the Ukrainian border over the course of 2021, and by January 2022 judged an invasion as likely to occur, although with no certainty as to its scale. The department acted on the intelligence, putting in place preparations for a major humanitarian response that enabled it to react rapidly to the 24 February invasion.

4.3 FCDO had brought most of its earlier humanitarian programming in eastern Ukraine to a close in 2021, and had no humanitarian team in Ukraine. Preparations were therefore led by FCDO's Humanitarian Response Group (HRG), with support from the Humanitarian and Stabilisation Operations Team, a standing facility run by a commercial supplier that manages the UK aid response to sudden crises. From December 2021, HRG began to assess potential humanitarian needs against a range of scenarios and to identify supply routes and prepositioning options for a large-scale humanitarian response. In January, humanitarian and logistics specialists were deployed to Ukraine and Poland. The foreign secretary pre-approved allocations to several humanitarian partners, enabling the funds to be paid on the day of the invasion. On 6 March, FCDO announced a humanitarian response package of £220 million.

4.4 The early response included a large volume of in-kind supplies, provided from across the UK government in response to emergency requests from Kyiv. FCDO, working with the Department of Health and Social Care, donated over 11 million items of medical supplies to the Ukrainian health system, provided £300,000 to the British frontline medical aid non-governmental organisation (NGO) UK-Med to provide specialist training, establish mobile health clinics and carry out needs assessments in Ukraine. UK emergency medical teams specialised in traumatic injuries were also despatched. The UK also provided 96 ambulances. As millions of Ukrainians fled the Russian advance, the UK provided food, water, and non-food items, such as blankets, kitchen sets and hygiene kits, to refugees arriving in Poland and Moldova. While the in-kind response was impressive in scale and speed, key informants noted the lack of a system across the UK public sector for coordinating the transport of supplies, with each contributing department making its own arrangements.

4.5 While there had been international humanitarian operations in Ukraine since 2014, these were concentrated in the east. FCDO correctly identified that international humanitarian partners lacked the capacity to respond to a crisis on this scale. Launching a humanitarian operation on the scale required from a virtual standing start was a substantial undertaking. The UK supported the process by making unearmarked aid contributions to key partners, to provide them with flexible resources to establish their operations and respond to a rapidly evolving crisis. These contributions included:

- A £25 million 'matching' contribution<sup>54</sup> to the appeal by the Disasters Emergency Committee (DEC), an alliance of 13 UK humanitarian NGOs. DEC raised a total of £420 million – its largest ever appeal.<sup>55</sup>
- [A £33 million contribution to the Red Cross movement to support its work in Ukraine and neighbouring countries.](#)
- A £25 million contribution to the United Nations High Commissioner for Refugees (UNHCR) regional appeal.
- A £2 million contribution to the United Nations Office for the Coordination of Humanitarian Affairs (OCHA), to support coordination of the humanitarian response. The UK support enabled OCHA to establish eight humanitarian hubs across the country and focal points in all 25 oblasts, to support internally displaced populations (IDPs) and act as forward bases for support to conflict-affected areas.

<sup>54</sup> That is, FCDO agreed to match contributions from the UK public pound for pound, up to a limit of £25 million.

<sup>55</sup> Disasters Emergency Committee, 2024, [link](#).

- A £33 million contribution to the OCHA-managed pooled fund, the Ukraine Humanitarian Fund, which allocated funding initially to 49 humanitarian partners, including UN agencies and international and national NGOs. UK support contributed to the largest ever scale-up of a country-based pooled fund.

In the financial year 2022-23 FCDO also spent £1.9 million seconding staff to five UN partners in Ukraine and the region, enabling them to build up capabilities in areas such as access, protection, disability and inclusion.

4.6 Over the following months, as the international response became more established, FCDO started to provide targeted funding to specialist agencies, designed to fill specific gaps in the response. This included contributions to:

- The United Nations International Children’s Emergency Fund (UNICEF), to support child protection. Working with civil society organisations (CSOs), UNICEF focused on providing cash and material support to children and their households, including displaced children and children with disabilities, as well as providing material support to institutions.
- The United Nations Population Fund (UNFPA), to address gender-based violence (GBV) and sexual and reproductive health needs.
- The International Organisation for Migration (IOM), for activities including support for the population to survive the winter following Russian attacks on energy infrastructure, and mental health and psychosocial support. IOM also operates the tracking system for internal displacement.
- The World Food Programme (WFP), to boost food supplies to frontline areas where supply chains had broken down, provide cash-based support to vulnerable groups, and help the national social protection system adapt to the crisis.
- Mercy Corps, to provide flexible grants to local CSOs, recognising their centrality to the response.

4.7 We find that UK humanitarian programming performed well against its objective of targeting the most vulnerable groups, while maintaining flexibility in a rapidly evolving context. For example, it identified the elderly and people with disabilities as particularly vulnerable, either because they were unwilling or unable to evacuate from frontline areas, or because of their additional needs during displacement. It supported a number of specialist partners targeting these groups, including the World Health Organisation, Humanity & Inclusion, and HelpAge, which play key roles in mainstreaming the inclusion of people with disabilities and older populations. It also funded an expert in UNHCR to help mainstream disability in the regional refugee response. Women represent 61% of IDPs and 59% of all those in humanitarian need. As well as its support for GBV-related services through UNFPA, in 2023 the UK supported the UN-managed Women, Peace and Humanitarian Fund, which funds 12 local women’s organisations to provide a range of services to vulnerable women. Through Mercy Corps, the UK supported organisations dedicated to supporting Roma and lesbian, gay, bisexual, transgender/transsexual and queer (LGBTQ+) communities. Third-party monitoring commissioned by FCDO found a “commendably proactive approach” to supporting vulnerable groups, but noted that some groups (such as addicts, former prisoners, teenagers whose parents had been killed and people without documents) continued to fall through the gaps, and that there was scope for FCDO to move faster in adjusting its programming to changing needs.

4.8 Providing humanitarian support in an ongoing war presents some difficult challenges around maintaining humanitarian neutrality. We find that FCDO has generally managed these challenges appropriately (see **Box 1**). Humanitarian access has been a continual challenge, with very little UK or other international support reaching areas under Russian military control. However, FCDO has made a considerable effort to extend its support to communities close to the frontline, including a partnership with a consortium led by Nonviolent Peaceforce<sup>56</sup> that provides protective equipment, medical training and psychosocial support to groups of Ukrainian volunteers working at the frontline.

56 Ukraine, Nonviolent Peaceforce, 2024, [link](#).

## Box 1: Maintaining humanitarian neutrality in the face of an illegal invasion

One of the guiding principles of international humanitarian action is ‘neutrality’ – the requirement that humanitarian actors do not take sides in an ongoing conflict.<sup>57</sup> A neutral stance facilitates access to populations in humanitarian need on both sides, and makes it less likely that humanitarian workers will come under attack in conflict zones. However, the principle can be controversial in contexts like Ukraine where there is a clear aggressor. In the early phase of the conflict, many Ukrainian organisations supported both populations in danger and Ukrainian soldiers on the frontline. When Ukraine recovered territory from Russian occupation, it was often Ukrainian troops who were the first to provide relief supplies to residents. Russia itself does not treat humanitarian actors as neutral and refuses to allow them access to the areas it controls. This has triggered a debate as to whether humanitarian neutrality is possible or desirable in such a context.<sup>58</sup> International humanitarian actors, especially the International Committee of the Red Cross (ICRC), have come under sharp criticism from the Ukrainian government for their reluctance to denounce Russian atrocities, although this is consistent with ICRC policy worldwide.<sup>59</sup>

The UK government is not itself neutral in the Ukraine conflict, but expects its humanitarian partners to be. We find that FCDO has taken reasonable measures to ensure respect for humanitarian principles, communicating its expectations clearly to partners, checking that they have suitable policies and procedures in place, providing training, and monitoring their conduct through a third-party monitoring arrangement. Maintaining the neutrality and impartiality of the humanitarian response will be critical if Ukraine recovers territory that has been under extended Russian occupation, as Ukraine wrestles with the question of how to treat citizens suspected of collaboration.

- 4.9 One of the objectives FCDO set for its humanitarian programming was to promote a more localised response, with an equitable balance of funding between international and Ukrainian actors, and greater Ukrainian leadership of and representation in the governance and coordination arrangements for the response. ‘Localisation’ is a longstanding principle of good humanitarian practice,<sup>60</sup> although a challenging one to implement due to the difficulties most local humanitarian actors face in meeting the strict conditions associated with international donor funding.<sup>61</sup> It should be more feasible in Ukraine than in most humanitarian contexts, given the relatively high levels of capacity in government and civil society, but implementation across the humanitarian response has been disappointing.
- 4.10 FCDO programming includes a range of elements designed to strengthen the government of Ukraine’s capacity to protect vulnerable populations. Its fiscal support (considered below from **paragraph 4.26**) helps the government pay for pensions and other national social protection programmes. The UK has provided technical support to improve the targeting of social payments, and is currently supporting an initiative exploring how to integrate international cash-based assistance into a shock-responsive national social protection system. FCDO does not have the administrative resources to fund multiple local CSOs directly, but it supports them via various intermediaries, including Mercy Corps, the UN Women’s Peace and Humanitarian Fund, the Nonviolent Peaceforce consortium and the Ukraine Humanitarian Fund. FCDO is represented on the Ukraine Humanitarian Fund’s Advisory Board, where it has been a proponent of localisation.
- 4.11 Despite these efforts, progress on localising the international humanitarian response as a whole has been disappointing. It took four to five months after the invasion for most international humanitarian organisations to return to Ukraine and establish operations at scale. In the interim, the gap was filled by an impressive home-grown response from Ukrainian civil society, operating on a voluntary basis with

57 OCHA on message: *Humanitarian principles*, United Nations Office for the Coordination of Humanitarian Affairs, 2012, [link](#).

58 See, for example: *Navigating narratives in Ukraine: humanitarian response amid solidarity and resistance*, Zainab Moallin et al., ODI, 2023, [link](#); *From neutrality to solidarity: International organizations need to rethink their aid to Ukraine*, Daria Rybalchenko, Euromaidan Press, 2023, [link](#).

59 *There is still a place for neutrality in Ukraine*, Jamie Dettmer, Politico, 2023, [link](#).

60 *The Principles and Good Practice of Humanitarian Donorship*, endorsed in June 2003 by a group of donors, included “strengthening the capacity of affected countries and communities” to prepare for and respond to humanitarian crisis: [link](#). Localisation was later included in the Grand Bargain, agreed at the 2016 World Humanitarian Summit: [link](#).

61 *The Grand Bargain in 2022: An independent review*, Victoria Metcalfe-Hough et al., Inter-Agency Standing Committee, 2023, p. 60, [link](#).

donated supplies. The UK and other donors generally find it difficult to fund such a grass-roots response directly, owing to the strict accountability requirements surrounding the use of aid funds. Most funding therefore went to international actors, which then subcontracted local partners. We heard criticisms from Ukrainian CSOs about the short-term and restrictive nature of the funding they received and the heavy due diligence and reporting requirements. Some complained that the terms of the funding inhibited their ability to respond flexibly to a rapidly evolving crisis, while leaving them unable to pay for overheads such as office costs. We also heard accounts of international organisations poaching experienced staff from their local partners. Overall, in the first year of the response, less than 1% of the \$3.5 billion in humanitarian finance raised for Ukraine was allocated directly to national responders.<sup>62</sup> (For comparison, the first iteration of the Grand Bargain, a 2016 agreement between donors and international humanitarian organisations to improve the effectiveness of humanitarian action, set a target of 25% of humanitarian assistance to be allocated “as directly as possible” to local partners.<sup>63</sup>) In one FCDO-supported survey of international and local organisations, 85% of respondents described the distribution of funding as “unfair”.<sup>64</sup>

- 4.12 Many Ukrainian partners also find the UN coordination system, based on humanitarian ‘clusters’ such as water, food, health and education, to be a poor fit for Ukraine’s needs. In our consultations, the system was described as bureaucratic and resource-intensive, placing heavy information demands on local partners without providing much practical coordination. FCDO is aware of the shortcomings, and is working with local organisations in a few areas to pilot a more flexible, area-based coordination process.
- 4.13 Humanitarian needs in Ukraine will remain high for the foreseeable future, with inevitable crises occurring against a backdrop of accumulating pressures on Ukrainian society. Enabling a better balance between international, government and civil society efforts will be essential to meeting these needs.

### Stabilisation and resilience building

- 4.14 Ukraine has the largest country allocation of programme funds from the UK’s cross-department Conflict, Stability and Security Fund (CSSF). Its flagship programme is the Partnership Fund for a Resilient Ukraine (PFRU), a multi-donor initiative<sup>65</sup> (£90 million, of which the UK has contributed £26.5 million, running from December 2021 to November 2024) that helps build Ukraine’s resilience in the face of Russia’s destabilising influence and lay the foundations for long-term peace.<sup>66</sup> It was designed collaboratively between donors and the Ukrainian government in 2021, before the full-scale invasion, to strengthen Ukraine’s resilience against Russia’s multipronged efforts to foment instability in eastern and southern Ukraine. Since the full-scale invasion, it has played a key role in delivering support to frontline communities and newly liberated territories.
- 4.15 The design is intended to be agile and politically astute, and to operate in high-risk areas on potentially sensitive issues. Rather than predefining activities, the design emphasises the identification of emerging challenges and adaptive decision-making, within a governance structure that engages Ukrainian government stakeholders at several levels. The design drew on extensive analysis of the Ukraine context and a survey of learning from stabilisation programmes around the world. It reflects an approach to stabilisation that has emerged from two decades of UK experience, summarised in a 2019 guidance note.<sup>67</sup> According to other PFRU donors, the UK was chosen to lead the programme owing to its technical depth in the area and its relatively flexible procurement processes. PFRU has served as a useful platform for coordination among a group of like-minded donors, through its ability to bring urgent issues before the G7 Ambassadors Group, and by organising joint ambassadorial visits to newly liberated areas, to signal international support.

62 *Options for supporting and strengthening local humanitarian action in Ukraine: A scoping exercise report*, Disasters Emergency Committee, 2022, p. 8, [link](#).

63 *The Grand Bargain: A shared commitment to better serve people in need*, Inter-Agency Standing Committee, 2016, [link](#).

64 *A Humanitarian localization baseline for Ukraine*, NGO Resource Centre et al., 2023, p. 34, [link](#).

65 The other funding partners are Canada, Finland, the Netherlands, Sweden, Switzerland and the US.

66 Partnership Fund for a Resilient Ukraine website: [link](#).

67 *The UK government’s approach to stabilisation: A guide for policy makers and practitioners*, Stabilisation Unit, 2019, [link](#).

“The UK government’s objective in undertaking stabilisation interventions is to support local and regional partners in conflict-affected countries to reduce violence, ensure basic security and facilitate peaceful political deal-making, all of which should aim to provide a foundation for building long-term stability.”

*The UK government’s approach to stabilisation: A guide for policy makers and practitioners*, Stabilisation Unit, March 2019, [link](#)

- 4.16 PFRU was reportedly one of the first international programmes to reestablish operations in Ukraine after the full-scale invasion. It launched various emergency response projects, including working with Ukrainian authorities to establish a hotline for people affected by the conflict, helping the National Information Bureau create a tracking system for missing persons, and helping improve the resilience of Ukraine’s institutions against Russian cyberattacks. As Russian forces were driven back, it shifted its focus towards early recovery, helping newly liberated communities to become operational again. Its activities included support to Ukraine’s state emergency services (such as training and equipment for clearing mines and unexploded ordnance), helping local governments re-establish their operations (for instance by providing generators and IT equipment), rapid repairs to enable schools and health facilities to begin operating again, and improving physical security for citizens (for example by converting school basements into bomb shelters). According to the Ukrainian stakeholders we interviewed, PFRU was not only one of the first international programmes to reach newly liberated areas, but also among the most responsive, consulting with local authorities to identify their needs and tailoring its support accordingly.
- 4.17 PFRU also has a component on ‘civil resistance’, designed to build the resilience of conflict-affected communities, including through support to local authorities to resist Russian pressures. It is also preparing a set of ‘revitalisation’ activities that are intended to lay foundations for sustainable peace. Programming options for the coming period include support for the families of abducted children, and helping communities memorialise victims of the conflict, as part of their recovery from war trauma. Some of these areas of activities are not yet very clearly defined, and there are potential overlaps between PFRU and other programming that will need to be monitored. Overall, however, given the many pressures on Ukrainian society, there is considerable value in a flexible instrument such as PFRU that can help Ukraine manage sensitive issues around reintegration and reconciliation.

### Rights and accountability

- 4.18 Since the full-scale invasion, there has been extensive reporting on alleged war crimes by Russian forces, including indiscriminate shelling of civilian areas, attacks on civilian infrastructure, the torture and ill-treatment of prisoners of war, and conflict-related sexual violence (CRSV).<sup>68</sup> In March 2023, the International Criminal Court (ICC) issued its first indictments, including against President Putin, for the forcible transfer of Ukrainian children to Russia.
- 4.19 The UK has made accountability for war crimes a key objective, investing £6.2 million in a portfolio of support. It has helped the Ukrainian Office of the Prosecutor-General (OPG) to establish mobile justice teams for collecting evidence, provided technical support on open-source intelligence (such as satellite imagery) in support of investigations, and provided technical support to a specialist CRSV unit. The UK has also seconded two investigators to the ICC in The Hague and provided training to Ukrainian investigators. This support is helping OPG manage around 180,000 individual complaints and consolidate them into a set of war crimes cases suitable for eventual prosecution.
- 4.20 While there is no immediate prospect of bringing Russian military leaders to justice, Ukraine’s objective is to expand the range of potential future prosecutions by involving other countries which recognise

<sup>68</sup> See, for example, *Fourth interim report on reported violations of international humanitarian law and international human rights law in Ukraine*, Office for Democratic Institutions and Human Rights and Organisation for Security and Cooperation in Europe, 2023, [link](#); *War crimes in Ukraine*, Congressional Research Service, 2023, [link](#).



the principle of universal jurisdiction for war crimes.<sup>69</sup> Along with the EU and the US, the UK is part of the Atrocity Crimes Advisory Group, a mechanism aimed at ensuring efficient coordination of members' respective accountability efforts.

- 4.21 The UK support includes a focus on survivor-centred justice for CRSV. In January 2020, ICAI published a review of the UK's Preventing Sexual Violence in Conflict Initiative (PSVI) – a global campaign launched in 2012 to tackle CRSV – in which we stressed the importance of a survivor-led approach.<sup>70</sup> We are glad to see that the government has taken this on board.<sup>71</sup> In November 2022, the UK launched a new PSVI strategy, which commits to “putting survivors of CRSV at the heart of our work”,<sup>72</sup> and hosted an international conference, at which participants (including the Ukrainian government) signed a political declaration that included a commitment to survivor-centred justice – that is, meaningful justice as defined by survivors themselves. The need for a survivor-centred approach is clearly articulated in Ukraine's CRSV strategy, which UK support helped to develop. The UK is also providing a range of practical support, including training for investigators and prosecutors on how to handle CRSV cases and support survivors. It funds UNFPA to operate 25 mobile units that offer medical support and counselling to survivors, as well as conducting forensic examinations. UNFPA is also helping the Ukrainian government to develop multisectoral support for survivors, including shelters, psychosocial support, hotlines and public awareness campaigns.
- 4.22 The Murad Code (see **Box 2**) provides some useful principles for judging whether the investigation and prosecution of CRSV-related crimes counts as ‘survivor-centred’. It is too early in the implementation of Ukraine's CRSV strategy to judge whether all these principles are operative, but we find that the UK is helping to put in place key elements. This will be a long-term challenge. Experience from past conflicts suggests that it may be many years before the full extent of CRSV and its multiple impacts on survivors come to light. As we pointed out in our 2020 report, close engagement with survivors will be key to meeting their needs.

69 ‘Universal jurisdiction’ is the principle that certain international crimes can be prosecuted by national courts, regardless of who committed them or where. However, not all states have provision in their domestic criminal law to exercise universal jurisdiction, and the practical challenges can be substantial.

70 *International justice: The challenges of pursuing universal jurisdiction*, European Institute for International Law and International Relations, August 2021, [link](#).  
*The UK's Preventing Sexual Violence in Conflict Initiative*, Independent Commission for Aid Impact, January 2020, p. 16, [link](#).

71 *ICAI follow-up review of 2020-21 reports*, Independent Commission for Aid Impact, June 2022, p. v, [link](#).

72 *Preventing Sexual Violence in Conflict Initiative Strategy*, Foreign, Commonwealth and Development Office, November 2022, p. 13, [link](#).

## Box 2: The Murad Code on conflict-related sexual violence

The Murad Code<sup>73</sup> is a global, voluntary code of conduct for those involved in documenting and investigating CRSV, supported by the UK and other donors. It is named after campaigner and Nobel laureate Nadia Murad. It sets out ten principles for safe, ethical and effective conduct.



Source: The Murad Code, April 2022, [link](#)

4.23 The UK also has a good range of activities supporting Ukraine with implementation of the Women, Peace and Security agenda – a set of commitments agreed at the UN Security Council on protecting women in conflict and enhancing women’s roles in conflict prevention and peacebuilding.<sup>74</sup> Ukraine is a focus country under the UK’s Women, Peace and Security National Action Plan.<sup>75</sup> In addition to its work on CRSV, the UK has a range of programming promoting women’s participation, including:

- Support through the American National Democratic Institute for women’s organisations to promote the participation of women and LGBTQ+ communities in political and civic life.
- The Women Leading Response and Recovery in Ukraine project, implemented by the NGO Pact, which works with local women’s organisations on initiatives in crisis response and social cohesion across 26 communities.
- The UN Women, Peace and Humanitarian Fund, which supports women’s organisations for a more gender-sensitive humanitarian response.
- Support for a consortium of local CSOs promoting women’s empowerment within the security sector and tackling GBV in the military.
- A civil society support fund, initiated by the UK embassy, that provided resources to 120 NGOs, including women’s organisations, to help build their capacity to engage on government policy.

4.24 FCDO also has a focus on supporting gender-sensitive and inclusive planning for early recovery and reconstruction – that is, plans that take into account the specific needs of women and vulnerable

<sup>73</sup> Global code of conduct for gathering and using information about systematic and conflict-related sexual violence, The Murad Code, April 2022, [link](#).

<sup>74</sup> UN Security Council Resolution 1325 and other resolutions, listed on the United Nations Peacemaker website: [link](#).

<sup>75</sup> UK women, peace and security national action plan 2023 to 2027, UK Government, February 2023, [link](#).

groups. At the Ukraine Recovery Conference in London, the UK and the government of Ukraine jointly hosted a side event on gender-responsive recovery, which noted that many of Ukraine's plans for early recovery and reconstruction did not consider women's needs. The event led to the establishment of a national dialogue platform bringing together government and civil society, which has since met regularly to review Ukraine's national recovery plans for gender sensitivity. FCDO is also working with regional authorities to develop regional action plans on Women, Peace and Security and promote gender-sensitive recovery planning.

### Fiscal support

- 4.25 In the weeks leading up to the full-scale invasion, FCDO was monitoring the impact of the Russian threat on Ukraine's economy and financial stability. Like many other countries, Ukraine was already in difficult economic circumstances as a result of the COVID-19 pandemic, with high levels of debt. As Russia built up its troops, Ukraine lost access to international financial markets for new borrowing, triggering a risk of debt default. The UK and US governments therefore began to advocate for international support. On 17 February 2022, five days before the invasion, the foreign secretary announced the first UK guarantee in support of World Bank lending, as well as a three-year, £100 million package of support for economic reforms and energy security.<sup>76</sup> Overall, the UK has provided \$2 billion in guarantees for World Bank lending and has pledged a further \$3 billion (\$1 billion in each of the next three years).
- 4.26 The UK guarantees enable the World Bank to expand its lending to Ukraine. The World Bank reimburses Ukraine for specific categories of civilian expenditure – principally, salaries for civil servants, teachers and health workers, and social programmes such as pensions. In effect, the UK and other international donors have taken on most of the routine, civilian costs of government, allowing Ukraine to devote almost all its own resources to the war effort. In the context of the war, the strategic significance of this support is high. Without it, it is likely that Ukraine would fall into arrears on public sector salaries and pensions, which would deepen the economic and humanitarian crisis. The UK fiscal support is therefore complementary to its humanitarian support and work on early recovery.

76 *UK sets out new multi-million dollar economic package of support for Ukraine*, Foreign, Commonwealth and Development Office, 2022, [link](#).

### Box 3: Is UK fiscal support to Ukraine ODA-eligible?

At present, international aid to Ukraine is funding most of the operating or recurrent costs of government, while Ukraine devotes its own revenues to the war effort. International support is tied to specific categories of civilian expenditure, such as civil servant salaries and pensions. These categories of expenditure – and, more generally, fiscal support to countries eligible for official development assistance (ODA) in times of emergency – qualify as ODA under the international definition. However, if the effect of fiscal support is to free up Ukraine’s own resources for the war effort, does that affect ODA eligibility?

The ‘fungible’ nature of aid has been recognised for many years.<sup>77</sup> Whatever formal conditions are attached to its use, international aid may have the effect of freeing up national resources for other, potentially non-developmental purposes. Fungibility is, however, not treated as a bar to ODA eligibility under the international definition. To qualify as ODA, assistance must be “administered with the promotion of the economic development and welfare of developing countries as its main objective”.<sup>78</sup> The financing of military equipment and services is explicitly excluded, and the rules further state that development cooperation “should not be used as a vehicle to promote the provider’s security interests”.<sup>79</sup> While the UK and other donor countries clearly have security interests at stake in the Ukraine war, they have taken care to ensure that their fiscal support falls within the ODA definition by linking it to defined categories of expenditure that help alleviate the humanitarian and economic crisis facing Ukraine, and that enable the Ukrainian government to maintain essential services to the population.

The UK’s fiscal assistance is mainly in the form of guarantees in support of World Bank lending. Under international rules, guarantees for sovereign lending are not counted as ODA at the time they are given. However, if they are ‘called’ and payment is made under them, those payments count as ODA.

- 4.27 The UK support helped mobilise a joint international effort to support Ukraine’s economy and public finances. In the first year after the invasion, the international community provided a total of \$14 billion in fiscal support, of which the UK contribution was approximately 10%. The UK’s pledge of \$3 billion in guarantees for the 2024-27 period forms part of a non-binding burden-sharing arrangement among G7 countries and the EU, which was a precondition for the International Monetary Fund (IMF) to approve a four-year, \$15.6 billion Extended Fund Facility for Ukraine.<sup>80</sup> At the time of publication, the US contribution had just been approved by Congress after a lengthy delay.<sup>81</sup>
- 4.28 Guarantees are a new but growing part of UK aid, rising from a global total of \$386 million in 2017 to \$4.5 billion in 2023 (with another \$3 billion in Ukraine guarantees in the pipeline). Guarantees are mainly used to help middle-income countries (such as Egypt, Jordan and India) access World Bank finance and to expand the lending capacity of multilateral development banks.<sup>82</sup> The planned Ukraine guarantees will take FCDO well beyond its original risk limits for the use of guarantees, which means that no further guarantees will be provided in this Spending Review period (see **Box 4**). The management of fraud risk around World Bank lending to Ukraine is considered below (from **paragraph 5.12**).
- 4.29 Guarantees do not involve any upfront aid expenditure, enabling the UK to provide fiscal support for Ukraine at a much larger scale than it could through grants. However, this comes at the expense of a large contingent liability. If Ukraine is unable to service its debt to the World Bank, the UK would take on its repayments up to the total of the guarantees (potentially, \$5 billion plus interest), which would come from the UK aid budget in future years, peaking at around \$375 million per year (equivalent to 3% of the current aid budget). If Ukraine is able to keep up its payments, there will be no direct cost to the UK aid budget.

77 *Fungibility and the choice of aid modalities*, Stefan Leiderer, 2012, p. 3, [link](#).

78 *Official development assistance – definition and coverage*, Organisation for Economic Cooperation and Development, [link](#).

79 *The scope and nature of 2016 HLM decisions regarding the ODA-eligibility of peace and security-related expenditures*, Organisation for Economic Cooperation and Development – Development Assistance Committee, 2016, [link](#).

80 *IMF Executive Board approves US\$15.6 billion under a new Extended Fund Facility (EFF) arrangement for Ukraine as part of a US\$115 billion overall support package*, International Monetary Fund, 2023, [link](#).

81 *H.R.8035 – Ukraine Security Supplemental Appropriations Act, 2024*, US Congress, [link](#).

82 For example, the African Development Bank. See *ICAI follow-review of 2020-21 reports*, Independent Commission for Aid Impact, 2022, p. 9, [link](#).

4.30 The foreign secretary sought an assurance from the Treasury that, given the exceptional nature of the Ukraine crisis, any payout under the guarantees would fall outside the aid spending target. However, no decision has been taken on this beyond the current Spending Review period.

#### Box 4: FCDO's use of guarantees

FCDO has significantly expanded its use of guarantees in recent years, to a global total of £4.5 billion in 2023. As the Centre for Global Development (CGD) points out, guarantees “are a valuable tool, taking advantage of the low risk of multilateral lending to provide large loans at little or no cost to the UK.”<sup>83</sup> We note, however, that the risks involved in the Ukraine case are of a different order, compared to other guarantees in FCDO's portfolio.

FCDO's guarantee portfolio is overseen by the department's Financial Transactions Steering Board, which sets the overall risk appetite and exposure limits. Each guarantee requires the preparation of a business case, a 'partnership principles' assessment of the beneficiary country (which assesses, among other things, its commitment to sound public financial management and tackling corruption), advice from the Treasury and government risk-management specialists, ministerial sign-off and notification to Parliament.

Under the terms of the guarantee, if Ukraine defaults on its World Bank debt, the UK will be required to make the payments on its behalf. In the worst-case scenario, this would mean paying off the \$5 billion loan, plus interest, over a 35-year period. The payments would peak in the early 2030s at around \$375 million per year (equivalent to 3% of the current UK aid budget).

The Ukraine guarantees (current and planned) take FCDO beyond the risk appetite originally set for its guarantee portfolio (defined in terms of a risk-adjusted, average in-year exposure). It also exceeds the single-country exposure limit of 25% (Ukraine now represents 82% of the portfolio, and this will rise further). This means that no further guarantees will be made in this Spending Review period.

#### Economic reform and anti-corruption

4.31 The UK is supporting Ukraine with advisory support and capacity building for a broad range of governance reforms through the Good Governance Fund (current phase £38 million; 2022-25) – originally a regional programme under the CSSF, taken over by the FCDO Ukraine portfolio in 2021. It includes projects on electoral reform, financial inclusion, anti-corruption, reform of state-owned enterprises (SOEs) and judicial reform, plus a 'Managed Fund' that provides technical assistance to a range of Ukrainian government institutions, including a focus on public financial management and macroeconomic forecasting. Some of the UK-supported reforms are listed in **Box 5**.

#### Box 5: Reforms supported through FCDO's Good Governance Fund

Reforms supported with technical assistance and capacity building under the Good Governance Fund have included:

- Updating Ukraine's national energy strategy after the invasion, and developing a detailed implementation plan and reform roadmap.
- Development of a National Energy and Climate Plan.
- Supporting Ukraine's management of the economic impact of the invasion through macroeconomic forecasting and related advisory support.
- Strengthening the targeting of social payments, and working towards the introduction of a shock-responsive national protection system. Support for the digitisation of government services and information systems, to promote transparency and reduce corruption risks.
- Strengthening Ukraine's provision of digital services for small and medium-sized enterprises (SMEs).

83 UK development finance beyond ODA: Mapping and assessing the UK's non-grant development finance, Centre for Global Development, 2023, p. vii, [link](#).

- Helping the National Bank of Ukraine to promote digital financial services, including for displaced persons and SMEs.
- Supporting the development of a unified methodology for recovery planning.
- Supporting the High Council of Justice with introducing merit-based judicial appointments and a code of conduct.
- Supporting corporate governance reform and privatisation of SOEs.

4.32 While we did not review the quality of assistance at activity level, we find the governance portfolio to be well aligned with Ukraine’s needs and the objectives of FCDO’s country portfolio. There is a focus on maintaining macroeconomic stability in the face of the shocks caused by the war, and enabling Ukraine to meet the policy conditions associated with IMF lending and EU accession. The UK has supported energy security and planning for the long-term recovery and transition of the energy sector. The work on social protection complements the UK’s fiscal support, and in due course should help reduce Ukraine’s dependence on international humanitarian aid. The UK is helping strengthen Ukraine’s capacity to conduct war damage assessment and plan for reconstruction at various levels. The support on judicial reform and the privatisation of SOEs is intended to address some of the barriers to international investment raised in our private sector consultations. The Good Governance Fund has enabled the UK to build relationships with many of the government institutions that underpin Ukraine’s resilience to the current crisis.

4.33 The UK has entered into partnership with the United States Agency for International Development (USAID) on two programmes. The Transparency and Accountability in Public Administration and Services (TAPAS) programme (UK contribution of £11.9 million towards an overall budget of £42 million; 2017-24) supports Ukraine with the introduction of online government services, transparency in public procurement and open government data systems, to improve the transparency of government and reduce opportunities for corruption. The programme has helped to make electronic procurement the standard practice for Ukraine, through a combination of legislative reform, training and information technology systems development. It has also helped develop a community of Ukrainian CSOs that analyse online procurement data, identifying high-risk deals and irregularities and reporting them to the authorities. According to US government sources, this has enabled Ukraine to save almost \$6 billion in public funds since 2017.<sup>84</sup> The programme has also helped to digitise around 40 government services. An example is an online health facility that enables citizens to change their registration to a different doctor or primary health clinic. This has reportedly almost eliminated the practice of medical practitioners demanding additional payments for publicly funded services. These ‘e-services’ have proved particularly valuable in responding to wartime pressures, enabling citizens displaced by the conflict (including abroad as refugees) to register via smartphone for government services and support programmes. At the time of our review, FCDO was working with USAID on the design of a successor programme, which will provide direct support to Ukraine’s independent anti-corruption institutions at both national and subnational levels.

4.34 The other joint programme with USAID is State-Owned Enterprises Reform Activity in Ukraine (SOERA) (UK contribution of £3.5 million towards an overall budget of £32.4 million; 2021-24). SOEs play a major role in Ukraine’s economy through the provision of infrastructure and public services and also in sectors such as defence, transport, agriculture, banking and manufacturing.<sup>85</sup> Many are chronic loss-makers, and some have historically served as a channels for oligarchs to syphon off state resources.<sup>86</sup> Reform of SOEs is one of the conditions for Ukraine’s EU accession.<sup>87</sup> SOERA is helping the Ukrainian government to map SOE assets, develop reform plans and legislation, strengthen corporate governance and move forward with the privatisation and lease of SOE assets. We received positive feedback from USAID officials on the partnership with FCDO, which they see as helping to manage relationships with the Ukrainian government in a politically sensitive area.

84 *Overcoming corruption and war – Lessons from Ukraine’s ProZorro procurement system*, NCMA Contract Management Magazine, 2022, p. 23, [link](#).

85 *OECD review of the corporate governance of state-owned enterprises: Ukraine*, Organisation for Economic Cooperation and Development, 2021, [link](#).

86 *Survival of the richest: how oligarchs block reform in Ukraine*, European Council on Foreign Relations, 2016, [link](#).

87 *Report on the implementation of the EU Association Agreement with Ukraine*, European Parliament, 2020, [link](#).

4.35 While FCDO's governance activities are relevant and useful, the portfolio is broad, given the relatively modest budget. In internal documents, FCDO defines its comparative advantage in terms of the strengths of its partnerships and its responsiveness to government needs. While this responsiveness has clearly been valued, it is difficult to identify a clear role for the UK support, alongside other actors. FCDO informs us that it intends to use 2024 to undertake further analysis and strategy development, with a view to consolidating its governance programming around a clearer strategy.

### Reconstruction and recovery

4.36 The UK has positioned itself as a champion of Ukraine's reconstruction and recovery, in line with its strategic objective of helping Ukraine not just to win the war, but to recover as a free-market economy integrated into the EU. Given an estimated \$486 billion (£385 billion) required for reconstruction and recovery, the UK anticipates that much of this will need to come from private investment. It has therefore been working to prepare the ground for eventual large-scale investment in Ukraine. The UK is hoping to reap benefits for UK firms from Ukraine's reconstruction. This does, however, align with Ukrainian priorities, as Ukraine has sought UK assistance in mobilising finance and expertise from the City of London and the UK private sector.

4.37 In June 2023, the annual Ukraine Recovery Conference (URC) was held in London, co-hosted with the government of Ukraine. Its objective was to mobilise both public and private support for Ukraine's economic and social recovery, in accordance with 'building back better' principles.<sup>88</sup> Organisation of URC was a cross-government effort, with strong coordination between FCDO and the Department for Business and Trade and close engagement from ministers. Preparation began six months in advance with a series of dialogue platforms with potential private investors, including bankers, insurers and civil engineering firms, to collect feedback on potential obstacles to investment. Given the strong support for Ukraine from the UK private sector, URC also promoted partnerships between UK and Ukrainian firms, to facilitate in-kind and pro bono support. URC was also an occasion for international development partners to make financial pledges and launch joint initiatives.

4.38 The conference led to the launch of various platforms, partnerships and initiatives, including:

- A UK-Ukraine 'TechBridge' matching platform, to bring together the UK and Ukrainian information and communications technology (ICT) sectors, to facilitate partnerships in trade investment skills and innovation. The rapid growth of ICT industries has been one of the success stories of Ukraine's economy, even since the invasion.<sup>89</sup>
- The 'Business Compact', a platform for UK and international companies to support the recovery and reconstruction of Ukraine through 'peer-to-peer expertise sharing, pro bono work and business activities', which will be led by the UN Global Compact Ukraine in partnership with the Ukrainian government. The Compact has secured signatures from more than 600 companies, which thereby made a public commitment to supporting Ukraine's recovery. Its network enables companies to receive information on business opportunities in Ukraine, and to provide feedback on Ukraine's recovery and reform plans.
- The London Conference Framework for War Risk Insurance, which outlines support for immediate de-risking measures to increase investor confidence. The Framework is guiding the development of bilateral and multilateral initiatives, including working with commercial insurers to rebuild markets in Ukraine.
- The Ukraine Development Fund, a proposal developed by the government of Ukraine with support from BlackRock and JPMorgan Chase, announced at URC but not expected to begin operations until after the conflict.
- The Ukraine Investment Platform, with 19 signatories covering development finance institutions from across the G7 and Europe, to promote co-investment opportunities in Ukraine, with the European Bank for Reconstruction and Development (EBRD) acting as lead institution.

88 *Sendai Framework for Disaster Risk Reduction 2015 - 2030*, United Nations, 2015, [link](#).  
89 *Ukraine's tech sector is playing vital wartime economic and defense roles*, Atlantic Council, 2023, [link](#).

- The UK-Ukraine Business Bridge, a digital platform connecting Ukrainian businesses to global companies, enabling virtual networking and supporting recovery through commercial relationships.
- 4.39 URC generated an impressive amount of energy around Ukraine’s reconstruction. The initiatives launched were welcomed by the private stakeholders we consulted as helping prepare the ground for eventual international investment. Stakeholders also acknowledged the value of the UK’s support to Ukraine on war damage assessment and reconstruction planning, as well as for reforms in key areas like the rule of law, anti-corruption and the privatisation of SOEs, which will help to create a level playing field for investors. However, in our interviews and workshops, private sector stakeholders informed us that they are sceptical about the prospects for significant private investment while the conflict is ongoing, and suggested that the immediate priority should be to focus on short-term reconstruction needs, such as emergency infrastructure repairs.
- 4.40 Other elements of UK support for reconstruction and recovery include investment in an online project management platform called Digital Reconstruction Ecosystem for Accountable Management (DREAM). This platform, which is being developed by the Ukrainian government in partnership with civil society, is designed to support the coordination and management of reconstruction projects, linking local governments and communities with both donors and potential private investors. It has been well received by commentators for its potential to promote transparency and reduce corruption.<sup>90</sup> Given the very high corruption risks associated with eventual large-scale reconstruction, this is a prudent investment in risk management, but will need to be accompanied by continuing support for Ukraine’s independent anti-corruption agencies under the new USAID/FCDO joint programme, to help them monitor the process.
- 4.41 Although not a focus of this review, the UK also funds a three-year Ukraine Resilience and Energy Security Programme (£80 million; 2022-25). Its activities include a combination of emergency repairs to Ukraine’s energy grid through a multi-donor pooled fund, and technical assistance to the Ukrainian government and energy utility to plan for a longer-term clean energy transition, which is a requirement of the EU accession process. The programme is designed with the flexibility to adjust resources between immediate and long-term needs, as the situation in Ukraine unfolds.
- 4.42 FCDO has also announced that it will provide £250 million in new capital to British International Investment (BII), the UK’s bilateral development finance institution, to start an investment portfolio in Ukraine. As BII does not currently invest in Europe,<sup>91</sup> this is an extension to its mandate. BII’s target sectors will include green infrastructure, energy markets, financial services and agriculture. As BII has no prior experience in the Ukraine market, it expects to make co-investments alongside other development finance institutions in the region, primarily through the EBRD-led Ukraine Investment Platform. We note that BII does not have any obvious comparative advantage in post-conflict construction, or more generally in Eastern Europe. Co-investing with EBRD will enable it to acquire some experience, but it is not clear what advantage this offers over a UK contribution directly to EBRD. FCDO documents state that BII will only begin investing in Ukraine once it offers stable investment conditions. We note that, as this condition seems some way off being met, it is not clear why capital should be provided before then.
- 4.43 Overall, the UK’s support for Ukraine’s reconstruction and recovery is strategic and far-sighted. Given the extent of Ukraine’s needs and the challenges involved in mobilising and making effective use of reconstruction finance on the scale required, it is appropriate for the UK to begin planning and preparation. However, we also note that optimism about the prospects for moving towards large-scale investment in Ukraine’s future economy has faded significantly since its high point at the time of the June 2023 conference. If there is no settlement to the conflict, the balance of effort will need to swing back to helping meet Ukraine’s emergency needs.

90 *Launch of fully transparent platform DREAM to coordinate and track Ukraine’s reconstruction*, Open Contracting Partnership, 2023, [link](#).

91 *Productive, sustainable and inclusive investment: 2022-26 Technical Strategy*, British International Investment, 2022, p. 8, [link](#).



## 5. Findings by review question

5.1 In this section, we briefly summarise our findings by review question (see **Table 1**), against the three evaluation criteria of relevance, effectiveness and coherence.

### Relevance: Is UK aid to Ukraine guided by a clear strategy?

- 5.2 The UK's strategic objectives in Ukraine – to help the country both win the war and 'win the peace' – are extremely ambitious. This aligns with Prime Minister Rishi Sunak's statement that supporting Ukraine is the UK's "immediate and most urgent" national security priority.<sup>92</sup> The UK has mobilised significant resources to support its objectives. Not only is Ukraine now the largest recipient of UK bilateral official development assistance (ODA), but it will also be the beneficiary of \$5 billion in UK guarantees for World Bank lending, taking the scale of support well beyond what is usually possible through bilateral aid.
- 5.3 The Ukraine country portfolio is accordingly broad, covering multiple areas: a major humanitarian programme, emergency fiscal support, security sector reform, stabilisation, accountability for war crimes, support for civil society and women's organisations, a wide range of governance reforms, energy security and planning for reconstruction and recovery. The individual activities rate well for their relevance to Ukraine's needs and the UK's strategic objectives. Programmes have been carefully selected and designed to support multiple strategic objectives, creating strong synergies across the portfolio. For example, the UK's fiscal support complements its humanitarian programming by helping maintain Ukraine's social programmes and reduce the need for humanitarian assistance. The governance portfolio is helping Ukraine manage the economic impacts of the crisis, meet conditions for World Bank and International Monetary Fund (IMF) lending, and prepare for reconstruction and recovery.
- 5.4 We find the portfolio to be well grounded in the values and cross-cutting commitments expressed in the Foreign, Commonwealth and Development Office's (FCDO's) White Paper on international development. There is a strong focus on women and girls, which matches the commitments to "putting women and girls centre stage"<sup>93</sup> and to social inclusion. The humanitarian assistance is well targeted towards the most vulnerable groups. The support on war crimes and conflict-related sexual violence reflects the UK's commitments on human rights, the rule of law and accountability.<sup>94</sup> The UK is also helping to ensure that Ukraine's vibrant civil society, including women's organisations, has a voice in planning for reconstruction and recovery, which aligns with its Women, Peace and Security National Action Plan.<sup>95</sup>
- 5.5 The Ukraine programming is based on a good range of rapid, light-touch situational analysis, but without the depth of analysis that would normally accompany a portfolio of this size. This is understandable, given the volatility of the context and the speed with which the programming has been scaled up, but the next of generation of programming will need to rest on a stronger body of analysis. We nonetheless saw good examples of learning from past conflicts, particularly in the stabilisation area and on conflict-related sexual violence. On reconstruction and recovery planning, while the Ukraine context is unique in many respects, there is scope for FCDO to draw on lessons on the governance, coordination, prioritisation and sequencing of past large-scale reconstruction.
- 5.6 We find that the UK has been highly responsive to requests for support from the government of Ukraine. This has helped to build relationships with a range of government agencies that are key to Ukraine's resilience and its capacity to plan for future reconstruction and recovery. Stakeholders consulted for this review, including government officials and other development partners, confirmed that the UK's comparative advantages in Ukraine include its responsiveness, flexibility and the strength of its relationships. However, a focus on responsiveness has resulted in a large portfolio of relatively small-scale activities. While this was well suited to the early phase of the emergency response, FCDO recognises that the portfolio now needs to be consolidated into a clearer strategic framework.

92 *Integrated Review refresh 2023*, HM Government, March 2023, p. 3, [link](#).

93 *International development in a contested world: ending extreme poverty and tackling climate change*, UK Government, November 2023, p. 14, [link](#).

94 *International development in a contested world: ending extreme poverty and tackling climate change*, UK Government, November 2023, p. 29, [link](#).

95 *UK women, peace and security national action plan 2023 to 2027*, UK Government, February 2023, [link](#).

5.7 There are also elements of the portfolio, particularly around reconstruction and recovery, that reflect the relative optimism of the mid-2023 period, when Ukraine's successes on the battlefield raised hopes of an early end to the conflict. As those hopes have receded, short-term priorities may need to be adjusted. While it remains appropriate and helpful for the UK to lead on planning for Ukraine's long-term recovery and associated reform agendas, FCDO needs enough flexibility within its portfolio to deal with evolving short-term needs, including new humanitarian crises.

### **Effectiveness: How well is UK aid to Ukraine being delivered?**

- 5.8 The UK mounted an extremely agile aid response to the Ukraine crisis. It reacted rapidly to intelligence of the impending Russian invasion, pre-approving and prepositioning a substantial package of humanitarian and fiscal support. The UK's early financial contributions to international humanitarian actors helped them establish their operations in Ukraine and neighbouring countries. The UK also delivered a substantial in-kind response, mobilised from across the UK government. Existing programmes pivoted to support the emergency response and adapted well as the crisis unfolded. For example, the Transparency and Accountability in Public Administration and Services (TAPAS) programme supported the government of Ukraine to provide online services to people and businesses displaced by the conflict, while the Good Governance Fund helped central ministries manage the economic shocks associated with the invasion. The UK's stabilisation support, in partnership with like-minded donors, was among the first on the ground in newly liberated areas, enabling the rapid restoration of local government and essential services.
- 5.9 Mobilising a vast international humanitarian response from an almost standing start presented a major challenge. The UK made it a priority to help the international humanitarian system become established, providing unearmarked financial contributions and seconding staff to UN partners. Despite this, there was heavy criticism of the international humanitarian system from the Ukrainian government and civil society for the slowness of its response and its inability to engage effectively with Ukraine's home-grown humanitarian response. FCDO made various efforts to support local responders, establishing grant-making mechanisms for national civil society organisations through various partners. Ultimately, however, the localisation challenge has not been solved, due to well-documented systemic problems with international humanitarian funding mechanisms (including overly complex and poorly coordinated due diligence requirements, and short-term, inflexible funding). Furthermore, according to informed stakeholders, the UN-run system does not facilitate effective coordination by Ukrainian authorities, which are better placed to identify local needs. With Ukraine facing continuing high levels of humanitarian need coupled with declining international financial support, it is important now to find more efficient ways of funding Ukrainian partners and to develop contextually appropriate coordination mechanisms.
- 5.10 In other areas, UK aid to Ukraine has a good focus on building Ukrainian capacity and leadership. The UK's fiscal support, in partnership with other donors, has been highly strategic, enabling Ukraine to maintain basic services and social programmes. Without that support, Ukraine would have faced great difficulty in maintaining core government operations. The UK has also provided an array of technical and capacity building support, in areas such as macroeconomic stability, social protection, online services, security sector governance and state emergency services. Its programming has a strong focus on building Ukraine's capacity to plan for and manage reconstruction and recovery.
- 5.11 As required by its Programme Operating Framework (PrOF), FCDO defines its appetite for various categories of risk in each operating context. In most areas, FCDO is willing to accept a higher level of risk than normal in Ukraine, given the wartime context and the strategic importance of the conflict. The Partnership Fund for a Resilient Ukraine (PFRU) stabilisation programme, in particular, has benefited from this higher risk appetite, enabling it to provide support to communities living close to the frontline. While its appetite for 'people' risk is also set relatively high, FCDO approves very little travel for staff outside Kyiv. Travel authorisation, ultimately given by 'risk owners' in London, requires cumbersome and lengthy application and assessment processes, which according to UK officials in Ukraine do not reflect a deep enough understanding of conditions across the country. The inability to travel hampers FCDO officials in building relationships, understanding local contexts and monitoring the use of UK ODA.

5.12 FCDO correctly identifies corruption risk as high in the Ukraine context. It is seen both as a potential threat to the strategic objectives of the UK aid programme and as creating risks of fraud concerning UK aid funds. The largest risks relate to the fiscal support provided to the Ukrainian government, in the form of guarantees in support of World Bank lending (\$2 billion to date, with another \$3 billion planned). While UK aid is not given directly to the government, any improper use of World Bank loan funds would still diminish the effectiveness of the UK's support. As we point out in our most recent review on *Tackling fraud in UK aid*,<sup>96</sup> some financial loss through fraud and corruption is inevitable (the Public Sector Fraud Authority estimates that up to 5% of all UK government spending is lost to fraud and error<sup>97</sup>). While tolerating a degree of fiduciary risk may be necessary, proactive measures should nonetheless be taken to prevent and detect fraud. As is usual for multi-donor trust funds, the UK delegates this responsibility to the World Bank, which has monitoring and audit processes in place. As the UK uses the same channel as the US government's much larger budget support, it also benefits from monitoring and audit processes implemented by the United States Agency for International Development (USAID). While these checks are extensive (see **Box 6**), no audit process can provide a guarantee against fraud. The risk could be further mitigated by FCDO commissioning its own forensic audits, which focus specifically on finding financial irregularities.

### Box 6: The management of corruption risks around UK fiscal support

The bulk of the UK's fiscal support for Ukraine takes the form of guarantees to support additional World Bank lending. FCDO relies on the World Bank to manage the risks of corruption diversion of the loan funds. Through its Public Expenditures for Administrative Capacity Endurance (PEACE) project, its main financing instrument for Ukraine, the World Bank uses the following processes.

- The disbursement of loan payments is in the form of reimbursement of payments made by the government of Ukraine in specific expenditure categories, including civil servant salaries, salaries of teachers and health workers, pensions and other social assistance payments. Military costs are explicitly excluded. The Ministry of Finance compiles monthly reports on government expenditure in these areas, and is required to conduct several verification processes. These reports are checked by the World Bank before each loan disbursement.
- The World Bank has engaged the international accounting firm PwC to conduct periodic audits, to check that agreed controls over eligible expenditures have been followed, and to verify individual payments on a sample basis. These reports are published.<sup>98</sup>
- The World Bank also operates a 'grievance redress mechanism', through which civil servants, pensioners and other social programme recipients can raise complaints. In our 2022 review of the World Bank, we found that these grievance mechanisms were not always active or well utilised.<sup>99</sup>

The US government has provided a much larger package of fiscal support through the same World Bank mechanism. It conducts additional audit processes, including:

- Tracing of funds from the Treasury to the responsible ministries, and monitoring of payment out to recipient institutions and individuals.
- Checking receipt by individuals expected to benefit (salaries, pensions) on a sample basis, through an audit undertaken by KPMG.
- Support from the US Government Accountability Office to Ukraine's supreme audit institution (the Accounting Chamber), for a rolling programme of official audits and compliance checks.

96 *Tackling fraud in UK aid: country case studies*, Independent Commission for Aid Impact, March 2024, p. 2, [link](#).

97 *Cross-government fraud landscape annual report 2022*, Public Sector Fraud Authority, p. 32, [link](#).

98 See, for example, *Agreed-upon procedures report for distribution purposes on the Public Expenditures for Administrative Capacity Endurance (PEACE) in Ukraine project*, PwC, June 2023, [link](#).

99 *The UK's support to the World Bank's International Development Association*, Independent Commission for Aid Impact, May 2022, p. 33, [link](#).

- 5.13 Other UK aid programmes in Ukraine are delivered through international implementing partners (UN agencies, non-governmental organisations or commercial suppliers). These are subject to FCDO's standard due diligence processes and rules on fraud and corruption. There is a third-party monitoring arrangement in place through a commercial supplier, to check on a sample basis that UK aid programmes are delivering as intended. (For example, the third-party monitors recently verified that generators supplied by the UK in 2022 continue to be used for their intended purposes.) There is no direct procurement from Ukrainian contractors. A substantial amount of humanitarian support is provided in the form of cash-based assistance, which is considered good practice in a context like Ukraine where the market is generally functioning efficiently. Payments are made electronically via a mobile phone app, which helps manage fraud risks, and there is a system in place to detect if households are improperly registered for more than one assistance scheme.
- 5.14 Programme assurance functions are provided by FCDO's regional division, the Eastern Europe and Central Asia Directorate, and supplemented by a Programme Assurance Hub for Ukraine established in response to the rapid scaling up of the country portfolio. The Hub sets and monitors compliance and assurance standards across its Ukraine programmes, in the areas of risk, finance, fraud, safeguarding, compliance with PrOF rules and value for money. It provides training and support to programme teams and prepares quarterly assurance reports on the portfolio. So far, only minor financial irregularities have been reported, which is not necessarily positive in an environment where corruption risks are thought to be high. In our most recent review of *Tackling fraud in UK aid*, we found that FCDO country teams often lack adequate time and expertise to engage proactively in fraud prevention.<sup>100</sup> As the country portfolio develops, fraud and corruption risks will need to remain a central consideration in programme design and implementation.

### Coherence: How well has the UK used its funding and influence to promote coherent international support for Ukraine?

- 5.15 The UK has positioned itself among G7 countries as a mid-level donor to Ukraine – well behind the US and the EU in scale of funding, but with higher levels of ODA support than Germany or France. According to FCDO documents, this enables the UK to be an influential voice in international decision-making on support to Ukraine, and to contribute to and help shape international burden-sharing arrangements. This was confirmed by the other development partners we interviewed, who noted the UK's strong voice within the G7 Ambassadors Group in Kyiv. The Ukraine Recovery Conference in London and the PFRU stabilisation programme, which is co-financed with other like-minded donors, were both mentioned as good platforms for coordinating donor engagement with government. The UK has been active in humanitarian coordination and various other coordination platforms. Beyond the humanitarian sphere, however, donor coordination processes in Ukraine remain relatively underdeveloped, which presents some risks to the effectiveness of the UK portfolio.
- 5.16 The UK's early provision of fiscal support, even before the Russian invasion was launched, helped establish a support modality via the World Bank that other donors have followed. FCDO informs us that it was active at a diplomatic level within the G7, helping to secure the international commitments that made possible the IMF's \$15.6 billion support facility. Given uncertainties around future international support, the UK's guarantees give it a platform to advocate for other countries to meet their commitments.
- 5.17 The UK has been very active in its efforts to pave the way for large-scale international investment in Ukraine's reconstruction and recovery. The Ukraine Recovery Conference in London helped attract considerable attention to Ukraine's needs. Although no substantial private investment is yet taking place, the conference launched several initiatives designed to galvanise *pro bono* and peer support from the UK private sector and to put in place initiatives, platforms and partnerships that will become important once larger-scale investment is possible. The focus on war-risk insurance, which covers damage due to acts of war, is a strategic choice for mobilising private investment, although difficult to realise in the face of deteriorating security conditions in Ukraine. We found that the governance reforms being

100 *Tackling fraud in UK aid: country case studies*, Independent Commission for Aid Impact, March 2024, p. 32, [link](#).

supported by the UK were a good match for the issues raised in our private sector consultations as potential constraints on international investment. The Digital Reconstruction Ecosystem for Accountable Management (DREAM) platform for transparent management of reconstruction programming is a good start in addressing the corruption risks that will inevitably be associated with large-scale reconstruction. While some of the UK's reconstruction and recovery objectives seem ambitious in light of the challenges facing Ukraine today, we recognise the value of advance planning for Ukraine's long-term recovery. We welcome the UK's commitment to gender-sensitive and inclusive recovery planning, and its efforts to ensure that the Ukraine's vast infrastructure repair needs are balanced by a focus on social recovery.

- 5.18 FCDO enjoys good relationships with Ukrainian government entities and like-minded donors. There was consistent feedback from those we consulted that the department is known for the quality of its programming and the technical depth and political nous it brings to discussions within partners. FCDO is active in various donor coordination processes, but these remain immature. There are some key coordination issues – such as localising the humanitarian response in line with the UK commitment that 25% of its humanitarian funding should go to local implementing partners – that would benefit from stronger UK leadership, by example as well as advocacy.

# 6. Conclusions and recommendations

## Conclusions

- 6.1 The UK has mobilised an impressive aid response for Ukraine since Russia's invasion, in keeping with Ukraine's strategic importance for UK and European security and the scale of its needs. It has positioned itself as an influential champion of Ukraine's needs on the international stage, helping to mobilise international support.
- 6.2 The UK showed considerable agility in its response to the Russian invasion. Its humanitarian support has been rapid and flexible, effectively targeting vulnerable groups and working well alongside national social protection systems. The Partnership Fund for a Resilient Ukraine is a strong example of UK knowhow and leadership, drawing on many years of experience with stabilisation programming around the world. It played an important role in bringing urgent support to newly liberated territories, and is well positioned to help Ukrainian society manage the accumulating pressures created by the war. The focus on accountability for war crimes reflects the UK's commitment to international law. Gender and social inclusion are well integrated across the portfolio, in keeping with the Foreign, Commonwealth and Development Office's (FCDO's) commitments.
- 6.3 The UK's fiscal support, alongside other donors, has been critical to Ukraine's ability to withstand the pressures created by Russia's invasion. It has enabled Ukraine to continue to provide basic services and social programmes. Without it, the humanitarian crisis and the burden of reconstruction and recovery would have been much larger. However, the support has come at the expense of large contingent liabilities, which, in going well above the original single country risk limits, pose risks to the UK aid programme in future years.
- 6.4 While the Ukrainian government has made serious efforts to tackle corruption, it remains a significant risk to Ukraine's long-term recovery. The UK has made a useful contribution to reducing the scope for corruption in public procurement and recovery planning, but the risks associated with international fiscal support and eventual large-scale reconstruction will need careful management.
- 6.5 The UK has positioned itself to be highly responsive to requests for support from the Ukrainian government, and has been able to contribute to a range of useful reforms and capacity building. This has resulted in a broad portfolio of relatively small-scale activities, which FCDO acknowledges now needs to be consolidated into a medium-term approach.
- 6.6 The UK's support for Ukraine's recovery has been forward-looking, helping to prepare for Ukraine's eventual reconstruction. However, some objectives now appear overly ambitious in light of the accumulating challenges facing Ukraine and will need to be balanced with a short-term focus on emergency needs.

## Recommendations

**Recommendation 1:** FCDO should intensify its support for localisation of the coordination and delivery of the humanitarian response in Ukraine.

### Problem statements:

- The international humanitarian system has done poorly at working with and through Ukrainian national and local coordination mechanisms and humanitarian responders.
- Existing humanitarian coordination processes, including the cluster system, are seen by local partners as burdensome and poorly suited to the Ukraine context.
- FCDO continues to direct insufficient humanitarian funding through Ukrainian non-governmental organisations.

- While Ukraine’s humanitarian needs are likely to remain high for as long as the conflict continues, international humanitarian support for Ukraine is likely to decline in the coming period in the face of competing needs.

**Recommendation 2:** The design of future FCDO programmes should encompass programming options for different scenarios and the ability to adapt quickly when circumstances change.

**Problem statements:**

- There is considerable uncertainty around events in Ukraine and future levels of international support.
- Scenario planning is not used systematically to shape programming.
- There is a risk of optimism bias in the FCDO support, particularly in programming areas that are managed primarily from the UK.

**Recommendation 3:** FCDO should strengthen its third-party monitoring and audit arrangements in Ukraine by adding specialist capacity to identify and investigate fraud, corruption and diversion risks to UK aid (including guarantees) across the country portfolio.

**Problem statements:**

- In its fiscal support, FCDO has to rely on World Bank audit processes that will have limits in how effective they are in finding fraud and corruption.
- FCDO has set itself a high risk appetite in Ukraine, but is limited in its own ability to monitor fraud and corruption risks due to security constraints.
- There is limited capacity to prevent and detect fraud within the FCDO team in Ukraine.

**Recommendation 4:** Based on lessons from other post-conflict settings, FCDO’s new anti-corruption programming should include a focus on helping Ukraine’s independent anti-corruption bodies to identify and manage corruption risks associated with large-scale reconstruction.

**Problem statements:**

- Corruption risks are likely to be high, especially with post-conflict reconstruction, and can undermine the prospects of ‘winning the peace’.
- Corruption in Ukraine presents a risk both to UK aid and to Ukraine’s ability to secure international aid on the scale it requires.
- Ukraine’s anti-corruption agencies currently lack the capacity to analyse data from the transparency programmes supported by international donors including the UK, and to conduct risk-based investigations.



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