Funding to local actors: evidence from the Syrian refugee response in Türkiye
Acknowledgements

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### Acronyms

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Full Form</th>
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<tbody>
<tr>
<td>3RP</td>
<td>Syria Regional Refugee and Resilience Plan</td>
</tr>
<tr>
<td>CRS</td>
<td>Creditor Reporting System</td>
</tr>
<tr>
<td>DAC</td>
<td>Development Assistance Committee</td>
</tr>
<tr>
<td>DI</td>
<td>Development Initiatives</td>
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<tr>
<td>ECHO</td>
<td>EC Department of Humanitarian Aid and Civil Protection</td>
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<tr>
<td>ESSN</td>
<td>Emergency Social Safety Net</td>
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<tr>
<td>EUTF</td>
<td>EU Regional Trust Fund</td>
</tr>
<tr>
<td>FRIT</td>
<td>Facility for Refugees in Türkiye</td>
</tr>
<tr>
<td>FTS</td>
<td>Financial Tracking Service</td>
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<tr>
<td>GNI</td>
<td>Gross national income</td>
</tr>
<tr>
<td>GoT</td>
<td>Government of Türkiye</td>
</tr>
<tr>
<td>IATI</td>
<td>International Aid Transparency Initiative</td>
</tr>
<tr>
<td>IFI</td>
<td>International financial institution</td>
</tr>
<tr>
<td>IFRC</td>
<td>International Federation of Red Cross and Red Crescent Societies</td>
</tr>
<tr>
<td>INGO</td>
<td>International non-government organisation</td>
</tr>
<tr>
<td>LIFT</td>
<td>Local Initiatives Fund for Türkiye</td>
</tr>
<tr>
<td>L/NNGO</td>
<td>Local/national non-governmental organisation</td>
</tr>
<tr>
<td>LNA</td>
<td>Local and national actor</td>
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<tr>
<td>ODA</td>
<td>Official development assistance</td>
</tr>
<tr>
<td>OECD</td>
<td>Organisation for Economic Co-operation and Development</td>
</tr>
<tr>
<td>RCRC</td>
<td>International Red Cross and Red Crescent Movement</td>
</tr>
<tr>
<td>STL</td>
<td>Support to Life</td>
</tr>
<tr>
<td>TMK</td>
<td>Refugee Council of Türkiye</td>
</tr>
<tr>
<td>TRC</td>
<td>Turkish Red Crescent</td>
</tr>
<tr>
<td>UNDP</td>
<td>UN Development Programme</td>
</tr>
<tr>
<td>UNHCR</td>
<td>UN High Commissioner for Refugees</td>
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</table>
Executive summary

Over 11 years after the start of the Syria crisis, Türkiye is host to 3.7 million Syrian women, men, and children. Local and national actors (LNAs), including the government and civil society, play a central role in meeting the needs of displaced communities, with support from international donors and organisations.

Ensuring LNAs have access to sufficient, quality funding as directly as possible is essential for an effective and locally led response. Donors and international aid organisations have made various commitments to provide funding more directly to those affected by crisis. However, current reporting mechanisms mean there is no way to comprehensively monitor these commitments, to track how much international funding ultimately reaches LNAs or the means by which it is disbursed.

This research, carried out by Development Initiatives and the Refugee Council of Türkiye, sought to fill this evidence gap in the context of the Syrian refugee response in Türkiye by tracking international funding flows to local and national actors. It also investigated issues around the quality of funding and partnerships between international and national actors – central to discussions on the localisation of aid in Türkiye and more broadly.

Key findings

1. Most grant funding for the Syrian refugee response in Türkiye was provided directly to international actors in 2019 and 2020

<table>
<thead>
<tr>
<th>Funding Source</th>
<th>Amount (US$)</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total direct funding</td>
<td>2,977m</td>
<td></td>
</tr>
<tr>
<td>UN</td>
<td>1,340m</td>
<td>45%</td>
</tr>
<tr>
<td>International (other)</td>
<td>569m</td>
<td>19%</td>
</tr>
<tr>
<td>RCRC</td>
<td>475m</td>
<td>16%</td>
</tr>
<tr>
<td>Government of Türkiye</td>
<td>372m</td>
<td>13%</td>
</tr>
<tr>
<td>INGOs</td>
<td>177m</td>
<td>5.9%</td>
</tr>
<tr>
<td>LN/NGOs</td>
<td>30m</td>
<td>1.0%</td>
</tr>
<tr>
<td>National (other)</td>
<td>14m</td>
<td>0.5%</td>
</tr>
</tbody>
</table>

Refer to Figure 8 for source and notes. International (other) includes international financial institutions. RCRC refers to the International Red Cross and Red Crescent Movement.
• **The majority of international funding for the Syrian refugee response was provided directly to international organisations.** In total, 86% of funding in 2019 and 2020 was provided by donors to international actors, with nearly half being channelled to the UN, followed by other international actors such as international financial institutions and the International Red Cross and Red Crescent Movement (RCRC).

• **International donors have provided significant volumes of funding in support of the Syrian refugee response in Türkiye.** Our research identified US$3.0 billion of humanitarian and development grant funding in 2019 and 2020. The largest donor was the EU, which saw a significant increase in support to Türkiye in 2016 in return for efforts to limit irregular migration to Europe.

2. Local and national actors (LNAs) received the majority of funding through an intermediary

![Total grant funding to Syrian refugee response, 2019 and 2020](image)

Refer to Figure 7 for source and notes.

• **Direct funding to LNAs was minimal.** In total, 14% of total funding in 2019 and 2020 went to LNAs directly, nearly all of which was channelled to the Government of Türkiye (GoT). By contrast, only 1% of funding across the two years was directly provided to local/national non-governmental organisations (L/NNGOs).

• **While LNAs received only a small proportion of total funding directly from donors, they are responsible for implementing the majority of response programming.** Our research found that of the US$3.0 billion of international funding provided in 2019 and 2020, 82% was ultimately channelled to LNAs – with most passing first through an intermediary.
3. L/NNGOs received very small volumes of overall international funding

L/NNGOs face particular challenges in accessing international funding, especially organisations that are local, refugee-led or women’s organisations. Of total funding received directly and indirectly across both years, on average 5.3% was channelled to L/NNGOs (compared to 10% to INGOs) with tiny fractions reaching refugee-led or women’s organisations (less than 0.2%). Regulations and eligibility requirements exclude many L/NNGOs from directly applying for funding. In turn, donors often do not have the capacity to directly manage grants with local actors and rely on a smaller number of international organisations to manage their contributions. This limits the opportunities L/NNGOs have to influence donor funding priorities.

Most of the funding which reaches LNAs for the Syrian refugee response was humanitarian. In 2020, 48% of international funding provided by donors was humanitarian, however of the funding passed on by intermediaries, 77% was humanitarian. L/NNGOs were only able to access humanitarian funding. Despite this, the overall proportion of international funding for the Syrian refugee response provided as development funding would seem to be growing as the response becomes more protracted. As donors increase development funding and more funding is channelled to the GoT through international financial institutions (IFIs), there is a risk that funding channels available to L/NNGOs will narrow even further.

This dependence on funding channelled through humanitarian funding instruments affects the quality of funding accessed by L/NNGOs. L/NNGOs and international organisations interviewed struggle with short-term, tightly earmarked funding, often poorly suited to the type of longer-term resilience building programming being delivered. L/NNGOs are also unable to consistently access overhead funding and this, coupled with short-term funding, affects the sustainability of local organisations, as well as overall programme effectiveness.
This study found examples of increasingly strategic partnerships between national and international organisations, however barriers remain. The current funding model – as well as entrenched ways of working and power dynamics – reinforced the experience for some L/NNGOs of being ‘sub-contracted’ by international organisations. While partnerships with international organisations have undoubtedly supported the institutional development of L/NNGOs, partly through expanding networks and funding opportunities, there remains a disconnect between global organisational commitments to ‘localisation’ and the reality on the ground. This is further exacerbated by the projectised funding model.

The Turkish context is not unique and many of the challenges faced by LNAs in accessing quality funding are reflected across the humanitarian system. There remains a need to both increase direct, quality funding to LNAs – to increase cost effectiveness and ensure funding decisions are more closely linked to those who know the context and needs best – as well as to further develop strategic partnerships between international and national actors, based on a commitment to equitable and fair partnership principles.
1. Introduction

Türkiye is host to the world’s largest number of displaced men, women and children, including 3.7 million Syrian refugees. Since the Syrian crisis began in 2011, a large-scale domestic and international response has been mobilised to meet the needs of refugees and affected host communities in Türkiye. Local and national actors (LNAs), including state institutions and local/national non-governmental organisations (L/NNGOs) have played a leading role in financing, coordinating and delivering the response. Over time, as the numbers of refugees arriving in Türkiye has stabilised and with limited prospects for returns, international donors have also increasingly relied on national actors to deliver internationally funded aid programmes. As such, there has been a growing discussion around ‘localisation’ in Türkiye, alongside global debates, including on how funding is channelled to the local level.

LNAs, including L/NNGOs, government institutions, national societies and the private sector, are often the first to respond to crises, as well as being best placed to understand the needs of their communities. Ensuring sufficient funding reaches LNAs is essential for an efficient, effective and locally led response. Global commitments have been made by the international community to shift more resources and power to those closest to crisis, which include increasing direct funding to LNAs. Despite this, in 2021 only 1.2% of international humanitarian funding was directly provided to LNAs and current reporting mechanisms make it difficult to comprehensively track funding which passes through one or more intermediaries. As a result, there are significant gaps in knowledge around how much funding ultimately reaches local actors, and through what modalities and channels.

This study, carried out by Development Initiatives (DI) and the Refugee Council of Türkiye (TMK), seeks to fill this evidence gap by examining how international funding is provided for the Syrian refugee response inside Türkiye. The research covers both humanitarian and development funding and focuses on two of the seven dimensions of localisation: funding and partnerships. The specific objectives of this research are:

1. To identify the amount of direct and indirect international grant funding that reached LNAs in 2019 and 2020 and how funding flows differ for different types of L/NNGOs, including refugee-led and women’s organisations

2. To understand how accessible international funding is to LNAs, especially L/NNGOs, the main funding modalities, the mechanisms available, and to assess which of these mechanisms is best at channelling funds to LNAs

3. To analyse the quality of international funding that reaches LNAs, especially L/NNGOs, the extent to which quality funding is cascaded from international organisations to local recipients and the quality of the partnerships between international and national actors.

The report is structured in four main sections:
• **Background** to the displacement context in Türkiye, including the national and international policy and programming response, and overall trends in international grant funding to Türkiye since the Syrian crisis began

• **Findings on the total international grant funding to Türkiye** specifically for the Syrian refugee response, and the volumes of funding and channels through which funding reaches LNAs

• Findings on the extent to which *quality funding* is cascaded to LNAs in Türkiye

• Findings on the *quality of partnerships* between international and national actors involved in the Syrian refugee response in Türkiye.

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**Box 1. What do we mean by quality funding?**

In addition to the volume of funding, the conditions with which funding is given can impact its efficiency and effectiveness. Funding which is flexible, predictable and multi-year is increasingly acknowledged as critical to improving principled humanitarian response, as is funding which covers indirect costs or overheads. What is considered ‘quality funding’ can be different depending on the context and purpose. Factors which can be considered to allow for quality funding include the funding duration, the degree of earmarking, the flexibility to adapt, the extent of reporting requirements, the manner and timeliness of disbursements and the accessibility. The Grand Bargain included commitments from donors and aid organisations to enhance the level of quality funding, including the cascading of quality funding to downstream partners. In March 2022, the Grand Bargain 2.0 quality funding caucus was launched to facilitate high-level dialogue with the aim of agreeing an increase in multi-year flexible funding to implementing organisations, including L/NNGOs. A new Grand Bargain caucus on localisation of funding was also launched in June 2022 which will include a focus on the issue of indirect costs for LNAs.

In addition to capturing quantitative data on volumes of funding to LNAs, this study also focused on the quality of funding received by local and national civil society organisations. The quality of funding received by local and national government institutions is also an important area though was outside the scope of this study.

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**Methodology**

A mixed methods approach combining primary quantitative and qualitative data collection and secondary data analysis was designed to meet the above objectives, carried out in three main stages.
**Desk research**

A preliminary desk research included a literature review and analysis of international funding flows reported to the two main data sources for development and humanitarian assistance: the Organisation for Economic Co-operation and Development (OECD) Development Assistance Committee’s (DAC) Creditor Reporting System (CRS) and the UN Office for the Coordination of Humanitarian Affairs (UN OCHA)’s Financial Tracking Service (FTS). This analysis informed a preliminary stakeholder mapping which guided sampling for the quantitative and qualitative data collection.

**Quantitative data collection**

The aim of the quantitative data collection was firstly to identify how much international grant funding was provided in 2019 and 2020 for the Syrian refugee response in Türkiye and, secondly, how much of this funding reached LNAs. Funding data was requested directly from international public donors to Türkiye and from organisations directly receiving funding from donors. Funding data was provided by 6 donors, 9 UN agencies and 11 other international actors (international non-governmental organisations (INGOs), international financial institutions (IFIs) and the International Red Cross and Red Crescent Movement (RCRC)), detailing the organisations they provided funding to and their total funding for the refugee response for 2019 and 2020. Funding data was also provided by one national NGO that acts as a funding intermediary for other LNAs. This dataset was complemented by transactions data from FTS, CRS and International Aid Transparency Initiative (IATI) for donors and implementing organisations who did not respond or who could not be reached (an additional 30 organisations). If available, data was also extracted from self-reported budget and project documents on the organisation’s website (3 organisations). Where possible, this manually collected data was cross-checked with a representative from the respective organisation for accuracy. In total, our dataset combined data from 36 donors and 23 recipient organisations, which provided funding data on 182 LNAs.

Following this data collection, separate datasets were compiled of direct funding and indirect funding (funding which passes through one or more intermediaries). In our aggregation of indirect funding, we account for a few instances of potential double counting, where the same organisation was reported as both a provider and recipient of indirect funding. We also reconciled the two datasets on direct and indirect funding by assessing what share of the recipient organisations’ annual response budgets were accounted for by direct funding in our dataset. Following that check, we added funding flows from unknown donors to specific organisation types to our direct funding dataset, amounting to 1.9% of direct funding for 2019 and 8.6% for 2020. This likely represents funding from private donors or internal allocations of unearmarked funding, or other funding sources that are not represented well on interagency reporting platforms, or organisations that did not respond to our data request. Reconciling direct and indirect funding in this way, without double counting between the two, meant we were able to calculate percentages of total funding – direct and/or indirect – by recipient organisation type for the Syrian refugee response in Türkiye.

LNAs identified as recipients of international funding were then coded by type and characteristic, including local organisations, national organisations, women’s rights and women-led organisations and refugee-led organisations. This coding process was led by
TMK and guided by the definitions set out in the Inter-Agency Standing Committee (IASC) localisation marker paper and the draft of the forthcoming IASC Gender Reference Group guidance.

Qualitative data collection

Funding data was complemented by a series of interviews with local actors, donors and international organisations. In total, 19 LNAs, including the Turkish Red Crescent (TRC), were interviewed, of which half had a national presence and half operated locally in a specific province. Of the total, five organisations were refugee-led, four were women’s organisations and one was an LGBTI+ organisation. In addition, three donors and twelve international organisations were interviewed, including UN agencies, INGOs and other international organisations.

Limitations

Through collecting data from both the largest donors and recipients of assistance in Türkiye, this study captured most of the direct and indirect international funding flows to local actors in 2019 and 2020, including funding that passed through more than one intermediary. However, inevitably, not all flows are identifiable and some gaps in data are likely to be present. This is most likely to have occurred where there is a long transaction chain, i.e., flows that pass through two or more intermediaries. Funding data requests were sent to a wide range of actors identified through initial analysis of CRS and FTS funding flows and cross-checked with TMK. In total, funding data requests were sent to 36 organisations, with a 72% response rate.

The data collection timelines for this research were set to 2019 and 2020 calendar years. For organisations that reported their budgets for multi-year projects, and for donors with financial years different to calendar years, the data on their annual totals might not fully match the totals used in this research and be estimates. Data on the breakdown of funding to international actors in Türkiye (as well as national actors), provided directly and indirectly was requested in the survey but not always comprehensively provided. Quantitative findings are therefore not completely representative of all funding flows to Türkiye and should be considered indicative. Where publicly available data was used to complement the survey responses, it should be noted that data gaps remain, and notably reporting fluctuates on FTS between donors outside the DAC, e.g. for Gulf donors.

The scope of this research was originally limited to humanitarian finance flows for the Syrian refugee response. However, this was expanded to examine all international grant funding (humanitarian and development assistance) to better reflect the breadth of displacement financing available for the Syrian refugee response in Türkiye. While this more accurately represents the types of funding accessed by local actors for Syrian response activities, the broader scope does increase the risk of incomplete data and makes comparisons with findings from other humanitarian studies less feasible. Furthermore, questions related to the quality of funding and partnerships explored in the interviews were also likely to be influenced by the type of funding interviewees most frequently received (humanitarian or development). To address this, efforts were made where possible to discern the origin of funding and whether this influenced the quality of the funding and partnerships. Donors and recipients who shared data were also asked to
indicate whether funding flows were from development or humanitarian budgets. This information was obtained for all funding flows except the unknown donor flows added to the direct funding dataset.

The scope of this research was also limited to funding for local actors supporting the Syrian refugee response, though it should be noted there are several other refugee nationalities hosted by Türkiye and supported by local actors, as well as vulnerable host communities. Similarly, while funding data specifically for the Syrian refugee response was requested from donors and recipients, some were unable to separate funding for Syrian refugees from wider refugee programming. Therefore, while the data presented is predominantly earmarked for the Syrian refugee response, it may include funding for refugees of other nationalities.
2. Background

This chapter sets out the background to Türkiye’s policy and programmatic response to the mass migration of Syrian refugees, as well as the international response and role of civil society in Türkiye. It then provides an overview of trends in total international grant funding to Türkiye to give wider context to the following analysis of international funding specifically for the refugee response.

Displacement context

The crisis in Syria has caused one of the largest displacements of people in the world to date, with over 5.5 million people seeking asylum in neighbouring countries. There are currently 3.7 million registered Syrians under temporary protection in Türkiye, as well as 330,000 refugees and asylum seekers of other nationalities under international protection. Türkiye initially adopted an open-door policy to Syrians fleeing the conflict with large numbers of refugees arriving every year from 2012 until 2016, when the government brought in more restrictive measures to gain control over rising numbers. Since 2018 the annual increase in registered Syrian refugees in the country is mainly from newborn babies. There are likely significant numbers of additional refugees in Türkiye who are not registered with the authorities. A decade after the conflict began, there are few durable solutions available to Syrian refugees in Türkiye. Only 7,400 refugees were resettled to a third country in 2021, and the number of voluntary returns remains very low.

The protracted nature and scale of displacement has put significant pressure on the provision of public services, housing and infrastructure and the labour market in Türkiye. The vast majority of refugees live in urban areas, and continue to face numerous challenges, including linguistic barriers, access to formal livelihood opportunities and high incidences of poverty in a context defined by high living costs and low wages. The impacts of Covid-19 and the recent economic crisis in Türkiye have disproportionately affected refugees, especially women, who mainly work in the informal labour market. With the rising cost of living and depleted assets, many have been pushed deeper into poverty. In recent years, these factors, as well as the common politicisation of refugee hosting and negative public perceptions of refugee policy, have all affected social tensions between Syrian refugees and host communities.

Legal and policy framework

While Türkiye is a signatory to the 1951 Geneva Convention, it maintains a geographical reservation meaning that the Convention is only applied to refugees from Europe. Nevertheless, a legal framework, building on an asylum system that was first developed in 1990, has been adapted by the government, including the Law on Foreigners and International Protection (2013) and the Temporary Protection Regulation (2014). Together, these regulations have formalised the situation for Syrians by granting access to employment, social assistance, education and health services, as well as respect of nonrefoulement.
Registered Syrian refugees in Türkiye are entitled to healthcare, education and social assistance in the province in which they are registered, provided mainly free of charge by the government. Refugee policy in Türkiye has increasingly sought to integrate refugee services into existing national systems. As such, healthcare is provided to Syrians through public hospitals and migrant health centres, and Syrian children are subject to the compulsory education policy of the country and registered at public schools. The Government of Türkiye (GoT) has been increasingly supportive of the transition of refugees from humanitarian assistance to more development-focused interventions.

**Response coordination**

The GoT leads the response to the Syrian refugee crisis with international support. In 2014 the Directorate General of Migration Management was established and tasked with coordinating the refugee response including the registration of Syrians, taking over from the Disaster and Emergency Management Authority. Many different line ministries are also involved in the response, including the Ministry of Health, Ministry of National Education, Ministry of Family, Labour and Social Security, as well as municipalities who play a critical, though more informal, role in providing services for refugees.

The GoT did not initially request international support for the refugee response, believing the crisis would not last long. In the early years, international activity in Türkiye was mainly limited to cross-border activities into Syria. However, as more refugees sought to claim asylum in European countries, European donor funding to Türkiye substantially increased. This culminated in the ‘EU-Turkey Deal’ in 2016 which sought measures to address unauthorised migration into Europe in exchange for support to Türkiye to manage the costs of hosting refugees. As a result of increased funding in 2015, several UN agencies and INGOs started to play a much larger role in supporting the government-led refugee response in the country. Support from international partners has been consolidated through the annual, UN-led Türkiye chapter of the Syria Regional Refugee and Resilience Plan (3RP), which combines both humanitarian and development refugee responses into a single plan. The 3RP acts as both a coordination, fundraising and strategic planning platform and is led by the UN Development Programme (UNDP) and the Office of the UN High Commissioner for Refugees (UNHCR), in cooperation with the government.

International organisations have mainly supported the government’s response to the refugee crisis by funding public institutions, helping to strengthen capacity to meet the increased needs and filling gaps left by government institutions. International support is provided in various sectors including livelihoods, education, language training, protection, psychosocial support and social cohesion activities. Assistance mobilised under the 3RP has been largely directed towards supporting public services and systems under pressure due to the influx of refugees, as well as promoting the self-reliance of refugees. By far the leading source of international financial assistance has come from the EU. A key outcome of the EU-Turkey deal was the Facility for Refugees (FRIT), which was established to coordinate EU resources to address the urgent needs of refugees and host communities in Türkiye (see Box 2).

Civil society in Türkiye has also played a critical role in the Syrian refugee response. Türkiye-based NGOs can have different legal structures, including foundations, associations and cooperatives. Since 2012, there has been a marked increase in the
number of different NGOs registered in Türkiye, including refugee-led organisations.\textsuperscript{23} L/NNGOs quickly started to play an important role in the Syrian refugee response, providing emergency services and support to vulnerable communities, especially those in hard-to-reach areas. In addition to already well-established national organisations with national and international experience, such as the Association for Solidarity with Refugees and Migrants (SGDD/ASAM), Support to Life (STL), the Human Resources Development Foundation (IKGV), the Foundation for the Support of Women’s Work, the Humanitarian Relief Foundation (IHH), Mavi Kalem and International Blue Crescent (IBC), many new organisations directly targeting refugee communities were founded after 2011. These included refugee-led organisations such as SENED, Watan Foundation and the Syrian Solidarity Foundation.\textsuperscript{24} The experience and knowledge of L/NNGOs has increased as a result. The arrival of international organisations and new funding opportunities has at times helped to expand learning opportunities for civil society organisations in Türkiye. Well-established organisations, such as SGDD/ASAM, IHH, Mavi Kalem, IKGV, IBC and STL, have become highly active, delivering services to refugees and raising awareness of needs, partly through international funding. The TRC is one of the most important national actors, delivering two of the largest EU-funded cash transfer programmes for Syrian refugees (see Box 2). Local networks, including the Localisation Advocacy Group and TMK, have become increasingly active, advocating for the localisation of aid in Türkiye and improved policies to support the refugee response.

Global policy context

International support to the refugee response in Türkiye over the past decade is set against the backdrop of wider aid reform around ‘localisation’ – a broad movement advocating for locally led practices, made up of numerous initiatives, commitments, models and pledges.\textsuperscript{25} Different dimensions of localisation, including direct and quality funding, equitable partnerships, greater participation of affected communities and increased presence in coordination mechanisms, all seek to ensure that crisis preparedness and response capacity lies with those most affected.\textsuperscript{26} More recently, the discussion around ‘localisation’ has moved on to discussion around the decolonisation of aid.

Increasing both the quantity and quality of funding to LNAs has been recognised as critical to practically realising more locally driven action.\textsuperscript{27} The current funding arrangement which channels most funding to LNAs through one or more international intermediary organisations, limits the participation of local actors in strategic planning, coordination and decision-making and has implications for the effectiveness of the response and the sustainability of LNAs.\textsuperscript{28} This includes women’s rights and women-led organisations\textsuperscript{29} and refugee-led organisations,\textsuperscript{30} who often represent the most vulnerable communities. Though the impacts of the Covid-19 pandemic further reinforced the centrality of LNAs in humanitarian response, the increased rhetoric around the importance of locally led leadership has not necessarily translated into action,\textsuperscript{31} including for women’s rights and women-led organisations.

The Grand Bargain in 2016 saw signatories pledge to pass 25% of international humanitarian assistance ‘as directly as possible’ to LNAs as well as increase the quality of that funding, including multi-year and flexible funding. Localisation and quality funding were named as the overarching priorities of the Grand Bargain 2.0 and a caucus launched in June 2022 is focused on reaching political agreement on how to increase
funding to LNAs, including funding for overheads.\textsuperscript{32} INGO signatories of initiatives such as the Charter for Change and Pledge for Change have made commitments to increase direct funding, including core funding, and improve partnerships to address inequalities in the humanitarian sector.

In response to a general decline of international support for refugees and the countries hosting them, the Global Compact on Refugees in 2018 reinforced the need for more predictable and equitable responsibility sharing between refugee-hosting countries and donor countries. It also highlighted the importance of partnership approaches and the role of local actors as responders in displacement contexts.\textsuperscript{33} More broadly, there has been a recognition of the need to strengthen synergies and improve coordination between the humanitarian, development and peacebuilding sectors in order to move toward more lasting solutions, especially in situations of protracted crisis and displacement. Within the development aid effectiveness agenda, the concept of country ownership, which emphasises that development agendas should be nationally driven and led, also has a long history (2005 Paris, 2008 Accra, 2011 Busan), with the 2030 Agenda for Sustainable Development putting emphasis on the Sustainable Development Goals being rooted in national priorities and implemented through national systems.\textsuperscript{34}

**Financing context**

Türkiye has contributed huge amounts of domestic resources to the refugee response. While exact figures are not easy to calculate, estimated spending based on data from Turkish authorities suggests that Türkiye spent over US$30 billion in the period 2012 to 2017.\textsuperscript{35} In 2020, Türkiye voluntarily reported to the OECD DAC CRS US$7.3 billion of international humanitarian assistance, which is largely expenditure on hosting Syrian refugees inside Türkiye.

In addition, as both a recipient and donor of official development assistance (ODA), Türkiye has received significant volumes of international funding to support the refugee response along with other hosting countries such as Jordan and Lebanon.\textsuperscript{36} In 2020, Türkiye was one of the ten largest recipients of international humanitarian assistance.\textsuperscript{37} The following section provides an overview of overall ODA trends to Türkiye followed by findings on funding specifically provided for the Syrian refugee response.

**Trends in overall international funding to Türkiye**

International grant funding to Türkiye significantly increased as the Syrian crisis evolved. Figure 1 shows total ODA grant funding to Türkiye reported to the OECD DAC CRS from 2011 to 2020 (US$14.5 billion). It is important to note that this includes all international grant funding, and not funding solely directed to the Syrian refugee response.
Before 2016, the GoT did not receive significant additional international support to manage the arrival of Syrian refugees. The sharp increase in numbers of people seeking asylum in European countries in 2015, and the subsequent signing of the EU–Turkey Deal in 2016, marked a notable turning point in the involvement of international actors in the refugee response in Türkiye.

- International grant funding to Türkiye more than doubled in 2016 to US$2.5 billion, following the signing of the EU–Turkey Deal. Since then, grant funding has slightly decreased and, after a drop in 2018, has remained at around US$2 billion per year, still significantly higher than pre-2016 levels.

- The launch of the FRIT, a key output of the EU–Turkey Deal, also saw the proportion of total grant ODA provided as humanitarian assistance to Türkiye increase, from 13% (US$159 million) in 2015 to 28% (US$708 million) in 2016. Since 2019, this has increased further, to 44% in 2019 and 42% in 2020. Similar to the response in Jordan and Lebanon, development assistance to Türkiye is high, in part due to FRIT which has mobilised large volumes of both development and humanitarian funding.

- Funding reported to the OECD DAC shows that by far the largest donor of overall grant funding to Türkiye has been the EU, which has provided US$8.2 billion –
over half (57%) of the international grant assistance provided between 2011 and 2020. Other large donors of grant funding to Türkiye since 2011 have been Germany (US$2.2 billion), France (US$685 million), the UK (US$624 million) and the US (US$461 million).

- The GoT has been the largest recipient of total grant funding for Türkiye since 2011, receiving 37% (US$5.4 billion) of total funding. The vast majority of which has been development funding.

- UN agencies have received the bulk of the humanitarian grant funding since 2011 (US$1.6 billion), accounting for 40% of the total humanitarian grant funding to Türkiye since 2011.

- Reporting of funding on the OECD DAC’s CRS which passes directly to L/NNGOs is incomplete and it is not possible – on the CRS or other data platforms – to track the volumes of international funding that reaches LNAs as second or third-level recipients. To overcome this, DI collected data directly from donors (see Figure 3).

While this study focuses on international grant funding, Türkiye has also been a recipient of ODA loans. Figure 2 shows total ODA disbursed as grants and loans to Türkiye since 2011. It is important to note that this includes all loan and grant ODA funding to Türkiye, and not funding solely directed to the Syrian refugee response.

**Figure 2: Total ODA to Türkiye 2011–2020, grants and loans**

Source: Development Initiatives based on OECD DAC Creditor Reporting System (CRS).

Notes: Data is in constant 2020 prices. Funding figures include disbursements from OECD DAC members,
Lending to Türkiye increased sharply after conflict in Syria broke out in 2011, peaking in 2015 at US$3.2 billion. Since 2018, ODA provided as loans has notably decreased, and in 2019 grants overtook loans as the largest type of ODA to Türkiye.

Recent 3RP research into IFI refugee financing found that, for the period 2013 to 2025, IFIs have provided or have committed to providing US$1.5 billion (42% of the total) in ODA loans to municipalities and government institutions in support of the Syrian crisis in Türkiye. Since 2014, most humanitarian funding for Türkiye has been provided as grants (in 2020 reaching 100%). Grants have also grown as a proportion of development funding since 2015, reaching 60% of development ODA in 2020.

**International grant funding specific to the refugee response**

Much of the grant funding received by Türkiye has been provided specifically for the Syrian refugee response. However, in the absence of comprehensive, publicly available data on the total volumes of funding made available for the Syrian refugee response, DI and TMK collected data directly from donors and implementers, on both humanitarian and development funding. Funding data for both 2019 and 2020 was collected, as shown in Figure 3. Our dataset captures the majority of funding flows but inevitably, not all flows were possible to identify and therefore the totals are likely to be slightly underestimated (see ‘Methodology’ section).
Figure 3: Total grant funding to Türkiye for the Syrian refugee response by donor type, 2019–2020

Source: Development Initiatives based on survey data provided directly by donors and intermediaries, UN Office for the Coordination of Humanitarian Affairs (UN OCHA)’s Financial Tracking Service (FTS), OECD DAC Creditor Reporting System (CRS), International Aid Transparency Initiative (IATI) data and publicly accessible project lists for individual organisations.

Notes: Unknown totals include funding based on intermediaries’ response budgets, where the source donor information was not provided. ‘Other donors’ category includes funding from global funds (the Central Emergency Response Fund and the Covid-19 Humanitarian Thematic Fund) and from private individuals and organisations. Data is in current prices.


- According to data collected for this study, and in line with the overall CRS trends analysis, the largest donor to the refugee response in Türkiye in 2019 and 2020 was the EU, providing just over US$1 billion each year.

Most donor funding to Türkiye for the Syrian refugee response is provided as humanitarian assistance, though both the proportion and volumes provided as development assistance grew between 2019 and 2020 (see Figure 4).
Figure 4: Total humanitarian and development grant funding to Türkiye for the Syrian refugee response, 2019–2020

- Humanitarian
- Development
- Other

<table>
<thead>
<tr>
<th>Year</th>
<th>Humanitarian</th>
<th>Development</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>65%</td>
<td>33%</td>
<td>2%</td>
</tr>
<tr>
<td>2020</td>
<td>48%</td>
<td>43%</td>
<td>9%</td>
</tr>
</tbody>
</table>

Source: Development Initiatives based on survey data provided directly by donors and intermediaries, UN Office for the Coordination of Humanitarian Affairs (UN OCHA)’s Financial Tracking Service (FTS), OECD DAC Creditor Reporting System (CRS), International Aid Transparency Initiative (IATI) data and publicly accessible project lists for individual organisations.

Notes: The breakdown of humanitarian and development funding is based on self-reports by funding providers. The category ‘other’ refers to instances where donors opted to classify grant funding as neither development nor humanitarian funding for unknown reasons. The breakdown only reflects funding that has been classified by the respective donor. Data is in current prices.

- Based on DI’s donor data, between 2019 and 2020, development assistance grew from US$453 million, 33% of total donor funding, to US$692 million (43%).

- Over the same period, the volume of grant funding provided for the refugee response as humanitarian assistance decreased, from US$887 million in 2019 to US$781 million in 2020, falling from 65% to 48% of total assistance provided.

Box 2. The EU Facility for Refugees in Türkiye (FRIT)

The Facility for Refugees in Türkiye (FRIT) is a EUR 6 billion funding mechanism established by the EU in 2015 to channel both humanitarian and development support to refugees and affected host communities in Türkiye. The launch of the FRIT marked a significant step-up in EU support to Türkiye and was a key outcome of the EU–Turkey Joint Action Plan (2015) and the EU–Turkey Deal (2016) which aimed to limit migration movements from Türkiye to Europe in return for increased cost-sharing of Türkiye’s refugee hosting by EU countries.
The FRIT is funded both from the EU budget and additional contributions from member states based on their share of the EU’s gross national income (GNI). It is organised in two tranches of EUR 3 billion (see Figure 5), both of which have been fully committed: the first until mid-2021, and the second funding projects that will be fully implemented by 2025. The FRIT has funded both humanitarian and development projects, with the development portion increasing in the second tranche, from 54% (EUR 1.6 billion) to 65% (EUR 1.9 billion) of total funding.

Figure 5: FRIT commitments by external financing instrument and by aid type

Source: DI based on EU data, updated 31 January 2022.

Notes: Commitments total EUR 3 billion for each tranche including additional support and operational lines. EUTF = EU Regional Trust Fund (Madad); HIP = Humanitarian Implementation Plan; IcSP = Instrument contributing to Stability and Peace; IPA = Instrument for Pre-accession Assistance.

As a coordination mechanism rather than a fund, FRIT funding is channelled through existing EU external financing instruments (EFIs)\(^4\) (see Figure 5) and operates within EFI global regulations. As is the case with EFIs used in other contexts outside Türkiye, none of the FRIT EFIs allow L/NNGOs to be funded directly due to recipient eligibility requirements. The exception to this rule is the EU Regional Trust Fund (Madad) (EUTF).
Figure 6: FRIT commitments by recipient, first and second tranche

Source: DI based on EU data, updated 31 January 2022.
Notes: Donor government agencies include the German Agency for International Cooperation (GIZ), Agence Française de Développement (AFD) and Expertise France. Two national actors were funded under the first FRIT tranche: the Association for Solidarity with Asylum Seekers and Migrants, and the Union of Chambers and Commodity Exchanges of Türkiye. FRIT = Facility for Refugees; IFI = international financial institution; INGO = international NGO; RCRC = International Red Cross and Red Crescent Movement, here includes funding to the International Federation of Red Cross and Red Crescent Societies and the Danish Red Cross.

As the balance of different instruments has changed between tranches, so have the funding recipients (see Figure 6). UN agencies were the largest recipients under the first tranche, though funding to the UN fell from 45% (EUR 1,430 million) of FRIT 1 to 16% (EUR 479 million) of FRIT 2, while funding to government institutions, IFIs and other international development organisations increased. In total, funding to the Directorate General of Migration Management and government ministries increased from 22% (EUR 660 million) of total funding to 29% (EUR 875 million) between tranches. The largest increase in funding was to the International RCRC movement organisations, from EUR 38 million to EUR 500 million. Only FRIT 1 involved any funding through the EUTF and therefore any direct funding to national civil society. In the first tranche, 9% of total FRIT funding was channelled through the EUTF. Of this, 9% (EUR 23 million) was passed to national NGOs, or approximately 0.8% of the total amount of funding of the first tranche.

The FRIT has provided assistance in areas such as education, health, municipal infrastructure and socioeconomic assistance. The largest FRIT-funded programme is the Emergency Social Safety Net (ESSN) cash transfer programme which was
launched in 2016. Since 2017, the EU has also supported humanitarian cash transfers under the Conditional Cash Transfers for Education, which is modelled on an existing Turkish programme. Both programmes have been funded by the EU beyond the second FRIT tranche.
3. Funding to local and national actors

Despite global commitments to increase direct funding to local and national actors (LNAs) and to share data on such funding, there is a lack of timely and comprehensive information around how, and how much, funding passes through international organisations and ultimately reaches local implementing actors. This section aims to address this information gap within the Türkiye Syrian refugee response context, answering the following questions:

- What proportion of international funding reaches LNAs directly and indirectly through an intermediary organisation?
- What type(s) of local actors are receiving funding?
- How do LNAs currently access international funding?
- Which international organisations channel the most funding to LNAs?

The following information is based on data collected directly by DI and TMK from donors and international and national recipients of international grant funding for the Syrian refugee response in Türkiye, complemented by data from publicly available sources. This includes both development and humanitarian grant funding, both of which were included in our data collection to reflect the breadth of refugee financing available (see ‘Methodology’ section).
Tracking funding flows to local and national actors

Figure 7: Overall picture of funding flows for the Syrian refugee response
Total grant funding to Türkiye for the Syrian refugee response, by first- and second-level recipients (volumes), 2019–2020 aggregate

In 2019 and 2020, most international grant funding for the Syrian refugee response was provided to international actors, and only a small proportion was directly given to LNAs. As a result, nearly all funding that reaches LNAs, especially L/NNGOs,
for the Syrian refugee response, is channelled through an international intermediary (see Figure 7).

- In 2019 and 2020, our study identified that US$3.0 billion of international grant funding was provided to Türkiye for the Syrian refugee response (US$1.4 billion in 2019 and US$1.6 billion in 2020). Of this, 86% was first channelled to international actors, of which nearly half went to UN agencies (45%).

- In total, just 14% of international grant funding for the Syrian refugee response in 2019 and 2020 was channelled directly to LNAs, of which the vast majority went to GoT.

- Just 1% of international funding in 2019 and 2020 was directly provided to L/NNGOs. This is largely consistent with global trends; in 2019 and 2020, 0.5% of international humanitarian assistance was channelled direct to L/NNGOs and 2% of all bilateral ODA was directly channelled to civil society organisations in 2018 and 2019.

- Of the total US$3.0 billion of international grant funding provided to Türkiye for the Syrian refugee response in 2019 and 2020, our research found that US$2.4 billion ultimately reached LNAs. However, of this just 17% was channelled directly to LNAs by donors and 83% was first passed through an intermediary organisation.
Figure 8: Most direct funding for the refugee response in Türkiye is received by international actors

Direct recipients of grant funding for the Syrian refugee response in Türkiye, annual percentage shares, 2019–2020

<table>
<thead>
<tr>
<th>Year</th>
<th>UN</th>
<th>IFIs</th>
<th>National government</th>
<th>Local/national NGOs</th>
<th>All other recipients</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>63%</td>
<td>17%</td>
<td>6.9%</td>
<td>10%</td>
<td>1.2%</td>
</tr>
<tr>
<td>2020</td>
<td>30%</td>
<td>13%</td>
<td>28%</td>
<td>17%</td>
<td>10%</td>
</tr>
</tbody>
</table>

Source: Development Initiatives based on survey data provided directly by donors and intermediaries, UN Office for the Coordination of Humanitarian Affairs (UN OCHA)’s Financial Tracking Service (FTS), OECD DAC Creditor Reporting System (CRS), International Aid Transparency Initiative (IATI) data and publicly accessible project lists for individual organisations.

Notes: Data is in current prices. ‘All other recipients’ category includes Turkish Red Crescent, academic institutions, local government, professional associations and other categories. RCRC = International Red Cross and Red Crescent Movement, here this includes funding to the International Federation of Red Cross and Red Crescent Societies, the German Red Cross and the Norwegian Red Cross.

While international actors received the vast majority of direct funding in 2019 (91%) and 2020 (82%), the balance of recipients changed in 2020 (see Figure 8). Funding to the UN fell, while funding to the International Federation of Red Cross and Red Crescent Societies (IFRC) and the GoT increased.

- In 2019, 91% (US$1.2 billion) of direct funding for the Syrian refugee response was channelled to international actors. The largest recipients were UN agencies who received 63% of total funding (US$861 million), followed by IFIs (17%) and INGOs (10%).
In 2020, international actors remained the largest direct recipient of international funding (82%) however the share between actors changed significantly, with UN funding nearly halving to 30% (US$480 million), as ESSN funding was transitioned to the International RCRC Movement (28% share, up from 1.2%).

**Direct funding to LNAs, especially L/NNGOs, was small in both years.** While direct funding to the government grew in 2020, funding to L/NNGOs fell, and donors continued to channel more funding to INGOs than L/NNGOs.

- Total direct funding to LNAs increased from 8.8% in 2019 to 18% in 2020. This was mainly funding to the GoT, which drove the overall increase.

- Direct funding to the national government grew from 6.9% of total funding (US$94 million) in 2019, to 17% (US$279 million) in 2020.

- Direct funding to L/NNGOs fell from US$22 million (1.6%) in 2019 to US$8.4 million (0.5%) in 2020. Of this direct funding in 2019, around half went to one national NGO. By comparison, INGOs received 5.9% of total direct funding in both years.

**Box 3. Funding tracking studies**

Tracking funding to LNAs is notoriously difficult given the lack of consistent and complete data reported to funding tracking platforms such as FTS, which necessitates primary data collection. This also makes it difficult to compare progress on the localisation of funding between crisis contexts. However other country studies into funding flows to LNAs offer some limited parallels to the findings of this study in Türkiye, and show the extent to which existing dynamics relating to international funding in Türkiye seem to reflect practices taking place elsewhere.

Recent studies tracking humanitarian funding to LNAs in Uganda and Bangladesh, and South Sudan and Somalia found that limited funding is directly provided to LNAs, and what is provided directly is mainly limited to government institutions. In 2015, local and national humanitarian actors in Bangladesh received 20% (US$12 million) of total humanitarian funding identified by the study directly, while just 0.2% reached local and national humanitarian actors directly in Uganda. In both cases, this was entirely provided to government institutions and no funding was provided directly to L/NNGOs. Similarly in Somalia, just 3.5% of humanitarian funding in 2017 was directly provided to local and national humanitarian actors and 4.3% in South Sudan, of which the majority was to national state actors. This compares with 9% in 2019 and 18% in 2020 reaching LNAs directly in Türkiye, which was also mainly to the GoT. Overall, however, the volumes and proportion of total funding reaching LNAs (both directly and indirectly) is notably higher in Türkiye than other contexts. In 2019, 83% of total international funding identified for
this study was directly or indirectly transferred to LNAs, compared to 39% in Bangladesh and 12% in Uganda in 2015, and around 10–13% in Somalia and South Sudan in 2017.

These comparisons are limited by the different scopes of each study and country contexts. While this research looked at both humanitarian and development funding for the Syrian refugee response, previous studies have focused on humanitarian funding only. Therefore, it should be emphasised that comparisons between studies tracking funding to LNAs in different contexts are limited due to the different methodologies, reinforcing the need for greater transparency in how funding reaches LNAs and the importance of better consistency in reporting.

Figure 9: LNAs implement the majority of refugee programming yet are not able to access funding directly from donors
Total international funding by recipient type (direct and indirect), 2019–2020

Most international funding for the refugee response in 2019 and 2020 was ultimately channelled to LNAs (83% in 2019 and 81% in 2020) either directly or indirectly (passing through at least one intermediary). This indicates both the extensive...
role LNAs play in implementing the refugee response, and the existing discrepancy in access to direct funding for LNAs and international actors.

- The largest recipient of total international funding was the TRC. The TRC received 44% (US$603 million) of total funding in 2019 and 39% (US$631 million) in 2020, in part due to it being the implementor of the ESSN programme in 2020 (see Box 4). Despite being the largest national implementing organisation for internationally funded refugee response programmes, our data collection did not capture any direct funding provided from donors to the TRC in 2019 and 2020.

- The government was the second largest recipient, receiving 32% (US$443 million) of total funding in 2019 (both directly and indirectly). This grew to 36% (US$586 million) in 2020 due to an US$185 million increase in direct funding. As a result, the proportion reaching the government as direct funding grew from 21% to 47%.

- Of total funding, 5.9% (US$81 million) was ultimately passed to L/NNGOs in 2019. This slightly fell in 2020 to 4.7% (US$75 million), despite rhetoric about increasing funding to local actors during the Covid-19 pandemic response.

Figure 10: Local NGOs, refugee-led and women’s organisations receive very small volumes of international funding

Total funding to local and national NGOs by NGO type (direct and indirect), 2019–2020

Source: Development Initiatives based on survey data provided directly by donors and intermediaries, UN Office for the Coordination of Humanitarian Affairs (UN OCHA)’s Financial Tracking Service (FTS), OECD DAC Creditor Reporting System (CRS), International Aid Transparency Initiative (IATI) data and publicly accessible project lists for individual organisations.

Notes: Data on the breakdown of funding to international actors by direct and indirect funding was not comprehensively provided. Data is in current prices. L/NNGO = local/national NGO.
Very little funding reached local, refugee-led or women’s organisations in Türkiye in 2019 and 2020.

- International funding for civil society in Türkiye is overwhelmingly provided to national NGOs, rather than local NGOs. Of all funding to L/NNGOs in 2019 and 2020, just 4.3% (US$6.7 million) was provided to local NGOs (US$2.8 million in 2019 and US$3.9 million in 2020). This represents 0.23% of total funding.

- Of total funding to L/NNGOs in 2019 and 2020, 2.9% (US$4.5 million) was provided to refugee-led organisations (US$2.0 million in 2019 and US$2.5 million in 2020) and 2.1% (US$3.2 million) to women’s organisations (US$2.3 million in 2019 and US$0.9 million in 2020).

- Of the total funding to the Syrian refugee response in Türkiye, refugee-led organisations received 0.15% in 2019 and 2020, while women’s organisations received only 0.11%.

Funding mechanisms and accessibility

As outlined above, LNAs access most international funding for the Syrian refugee response through an intermediary organisation. IFIs predominantly fund the GoT while UN agencies partner with the TRC, GoT and L/NNGOs to implement programming for Syrian refugees.

**Figure 11: L/NNGOs receive most funding through the UN**

Total direct and indirect funding to L/NNGOs by donor type, 2019–2020
Source: Development Initiatives based on survey data provided directly by donors and intermediaries, UN Office for the Coordination of Humanitarian Affairs (UN OCHA)’s Financial Tracking Service (FTS), OECD DAC Creditor Reporting System (CRS), International Aid Transparency Initiative (IATI) data and publicly accessible project lists for individual organisations.

Notes: This chart includes both direct and indirect funding to local/national NGOs. The ‘International (other)’ category includes funding from international actors, here from the German Agency for International Cooperation (GIZ). The ‘Other donors’ category includes funding from private individuals and organisations and the International RCRC Movement.

The UN is the largest indirect source of funding for L/NNGOs working on the Syrian refugee response, while INGOs provide smaller volumes, and government donors provide some direct contributions (see Figure 11). L/NNGOs generally apply for funding through specific calls for proposals either directly or through invitation by international partners. In certain cases, local actors were able to raise funds from international partners that they were already working with as they expanded their programmes to include response to the Syrian situation. Cluster meetings, platforms that bring together donors and NGOs, as well as funding databases were identified as useful for learning about funding opportunities.

- The share of total funding reaching L/NNGOs from UN agencies increased from 61% (US$49.5 million) in 2019 to 71% (US$53.1 million) in 2020, despite the overall funding to UN agencies from donors falling in 2020.

- Funding from INGOs also increased both in terms of volume and proportion, from 8% (US$6.4 million) of total funding to L/NNGOs in 2019, to 14% (US$10.6 million) in 2020. This was offset by a drop in direct funding from the EU, from 12% (US$9.8 million) of total funding to L/NNGOs, to 6% (US$4.7 million) and a drop in direct funding from government donors, from 14% (US$11.4 million) to 5% (US$3.6 million).

In total, the UN passed on the majority (84%) of the funding it received in 2019 and 2020 to implementing partners. The largest recipient of UN funding was the TRC (58%) followed by the government (16%). Our study identified that 7.7% was passed on to L/NNGOs, compared to 0.7% that was passed on to INGOs. By contrast, INGOs seem to implement much more programming directly. The INGOs included within our sample passed on just 13% of their funding to other implementing partners of which 9.6% was to L/NNGOs and 3.1% to other INGOs.

Case study: Mavi Hilal’s experiences of indirect funding

Uluslararası Mavi Hilal (International Blue Crescent Relief and Development Foundation) was officially established in Türkiye in 2000 and is one of Türkiye’s largest and oldest humanitarian NGOs. With ‘special consultative status’ at the UN Economic and Social Council (ECOSOC) and the first NGO in Türkiye to receive the Core Humanitarian Standard, Mavi Hilal has been active in responding to both domestic and international humanitarian disasters. Since 2011, Mavi Hilal has been providing protection, livelihoods, education and health support for Syrian refugees in Türkiye. Mavi Hilal access international funding through UN agencies.
and INGOs and has not been able to access funding directly from donors despite its many years of experience. Mavi Hilal reported that this affects them in several ways: firstly, it is not able to decide project objectives and priorities, or input meaningfully into programme design, which can lead to a ‘subcontracting’ relationship with intermediary organisations. International organisations do not consistently share the overhead funding provided by donors with their local partners, meaning organisations like Mavi Hilal are unable to access a significant source of funding that could be used for expanding its capacities, diversifying its donor base and investing in its organisational sustainability. In addition to being unable to recover overhead costs, the distribution of management costs in the projects are reported to reflect asymmetric power dynamics. For instance, coordination costs are mainly allocated to the lead organisation meaning that they have to deal with a project coordinator who is often distant from the field. Moreover, there is a perception that while the work done by the lead and local organisation is highly similar, the local organisation is not able to pay salaries on par with the intermediary organisations. This can lead to the loss of highly qualified personnel to international partners.

Figure 12: Most funding that is passed on by an intermediary is humanitarian assistance

Total grant funding for the Syrian refugee response by assistance type, 2020

The type of funding available to LNAs has been predominantly humanitarian, especially for L/NGOs. While most funding is provided by donors to the Syrian refugee response in Türkiye as humanitarian assistance (though the proportion of development
assistance has increased, see Figure 4), the funding LNAs receive is disproportionately humanitarian.

- Based on data collated from intermediaries, the majority of funding that was passed on by an intermediary organisation in 2020 was humanitarian (77%). By comparison, only 48% of total funding provided by donors in 2020 was humanitarian assistance.

- Nearly all the development funding passed on by intermediaries from donors is provided to the government (91%), meaning L/NNGOs are able to access only humanitarian funding.

### Box 4. Transition to government systems: ESSN funding

The Emergency Social Safety Net (ESSN) programme is the EU’s largest basic needs cash transfer programme. It is funded by the EC Department of Humanitarian Aid and Civil Protection (ECHO), using finance mobilised through the FRIT. The ESSN programme has been implemented through the World Food Programme and, under FRIT 2, the IFRC. Both have subcontracted the TRC to deliver the programme through its Kızılaykart cash assistance platform, in coordination with the Ministry of Family, Labour and Social Services. The ESSN has become a significant source of stable income for 1.7 million Syrian refugees and other vulnerable refugee households in Türkiye, who receive 155 Turkish Lira in monthly cash assistance per family member. Since 2021 a portion of the ESSN programme funding is being channelled directly to the government, funded by the EC Directorate-General for Neighbourhood and Enlargement Negotiations (DG NEAR), rather than ECHO – meaning a shift from humanitarian to development funding. The aim of this complementary ESSN programme (C-ESSN) is to provide additional support to the most vulnerable households who struggle to meet their basic needs. C-ESSN funding is channelled through the Instrument for Pre-Accession and is therefore able to be directly implemented through national systems, unlike ECHO funding, with the Ministry of Family, Labour and Social Services and TRC implementing the programme. Transitioning ESSN funding from humanitarian to development budgets allows the EU to directly support Turkish actors. In 2018, the GoT published an ESSN exit strategy, outlining a transition from basic needs to livelihoods to reduce dependence on the ESSN. This follows in the direction of EU support to the health sector in Türkiye, which has shifted from humanitarian funding lines to a DG NEAR-funded health programme.

### Barriers to funding for local and national actors

**Overall, international funding for LNAs in response to the Syrian refugee crisis in Türkiye has increased.** In particular, the GoT has become an increasingly large direct recipient of international grant funding, as more funding is channelled through
development financing instruments (see Figure 5). However, there are significant barriers for other LNAs, especially L/NNGOs, to access direct funding which can reduce transaction costs and increase effectiveness.

Donor regulations prevent L/NNGOs from being able to directly access some of the largest envelopes of funding for the Syrian refugee response in Türkiye. L/NNGOs have effectively been excluded from receiving direct funding through the FRIT as it is channelled through instruments which are not directly accessible by civil society (except the EUTF). The primary EU humanitarian and development financing instruments used to channel FRIT funds to Türkiye cannot directly fund L/NNGOs and can only fund certain international and national government actors. This includes ECHO funding which accounted for 47% of the first tranche of the FRIT. Only the EUTF can fund L/NNGOs directly, however this mechanism was not used in the second tranche.

While information about calls and tenders is often accessible through online platforms and networks, eligibility criteria imposed by the donors was reported by interviewees as one of the main barriers to accessing funds directly. Formal eligibility requirements include international NGO status, registration requirements, the size of grants previously managed, experience and organisation size, all of which are difficult for smaller L/NNGOs in particular to meet.

In other cases, donor preferences and capacities mean they prefer to channel larger amounts of funding to fewer, larger actors, mainly multilateral organisations. International intermediaries such as UN agencies and INGOs also generally prefer to fund larger, well-established L/NNGOs because they can absorb larger sums of money, are more familiar with funding proposal processes and can better meet the stringent compliance requirements. The requirements put in place by donors mean that accessing funds directly is resource intensive and requires specialist skills that not all L/NNGOs have. This can discourage L/NNGOs from applying for international funding in the first place and limits the opportunities for smaller, local NGOs to access international funding directly or indirectly. Exceptions to this include the Local Initiatives Fund for Türkiye (LIFT), a pooled fund which specifically targeted smaller local organisations (see case study below).

Complexities in the legal and regulatory environment also influence partnerships between international actors and national civil society organisations. Some international organisations reported that the complex operating environment in Türkiye has compelled them to partner with organisations that have close relationships with state institutions, limiting their partner choices. INGOs reported that they also face challenges in navigating the complex regulatory environment in Türkiye with non-compliance often resulting in fines. A lack of clarity and understanding of the law can mean that INGOs hold themselves back from expanding partnerships with local organisations further as part of perceived risk management. Nevertheless, some INGOs seek ways to partner with local and national civil society organisations despite these restrictions, for example one INGO reported to sign contracts with L/NNGOs through their headquarters, rather than at the country level, to overcome regulatory issues around partnering with local actors.
Case study: Increasing access to funding for small L/NNGOs: LIFT programme

The German Federal Ministry for Economic Cooperation and Development (BMZ)-funded Community Centres and Local Initiatives Project (CLIP) has been implemented by the German Agency for International Cooperation (GIZ) since 2017, with the aim of supporting community centres providing social services for refugees and vulnerable Turkish households through ‘localised assistance interventions’. Since 2019, CLIP has also implemented the Local Initiative Fund in Türkiye (LIFT), a multi-donor initiative with co-funding from ECHO and BMZ. LIFT was designed to directly address the barriers smaller or less experienced L/NNGOs face in accessing international funding, as well as to expand community-based protection and specialist services to underserved communities at risk of being left behind. LIFT was contracted through three calls for proposals, the largest for projects up to EUR 500,000 and two for grants capped at EUR 50,000 with the aim of attracting smaller community-based organisations. In addition, some of the calls were restricted to specific provinces to fulfil a known supply gap in service provision. Support was provided to applicants including open information sessions, capacity development training on proposal writing and a help desk available in three languages which interested organisations could consult for guidance about the application process. Importantly, grant proposals were also not restricted to English, which enabled smaller organisations, including refugee-led organisations, who previously found themselves automatically excluded from many funding calls, to apply. Ongoing capacity building support was also provided through LIFT throughout implementation. Support to local initiatives through LIFT was implemented in close coordination with state structures to facilitate a more sustainable support mechanism, for example by establishing referral systems.

LIFT received over 180 applications and in total, EUR 6.1 million has been allocated to 20 organisations, of which 10 are smaller organisations. In 2019 and 2020, 21% of LIFT funding was provided to local organisations – much higher than the overall average of direct funding to LNAs for the Syrian refugee response – and 12% was awarded to refugee-led organisations. The LIFT mechanism was continued under CLIP 2 (2021–2023). Several lessons were learned from this funding mechanism and incorporated: firstly, LIFT was initially funded by ECHO and was limited to protection activities, which was considered too narrow by partners. The additional funding from BMZ for LIFT under CLIP 2 meant partners could propose projects under more sectors. Secondly, despite the support provided to enable smaller organisations to access funding, the requirements were still too burdensome for some organisations, especially in provinces where the best-placed partners were small organisations that lacked experience in accessing and delivering larger-scale projects. To address this, an exploration fund was established to provide smaller grants to local organisations, with intensive support throughout the project design and implementation process. A peer support network.
was also established under CLIP 2 for LIFT recipients where smaller organisations were able to receive mentoring from more well-established organisations, including in advocacy, fundraising and other organisational development support.

L/NNGOs have limited opportunities for strategic engagement with donors, as they receive most funding indirectly, and are therefore less able to influence donor funding priorities. Opportunities for engagement between L/NNGOs and donors are mainly limited to the 3RP coordination mechanisms, of which L/NNGOs are active members. L/NNGOs can mainly only access project-based, often short-term funding grants, rather than longer-term strategic partnerships. As a result, donors often define the formal criteria for application as well as the priority areas, location and other features of projects. When the terms of the funds are defined by the donor, projects do not always match the shifting needs of the refugees on the ground as identified by L/NNGOs. For example, while it is widely known that Syrian refugees work in the informal sector, international funds do not cover this group of workers despite many local NGOs seeking to support them. Donors and L/NNGOs may also disagree on the classification of types of activities. For instance, advocacy around the rights of refugees may be seen as protection activities by donors but as social cohesion activities for L/NNGOs. Recent research has found that local and international actors have different expectations, priorities and understandings around protection advocacy.59

The movement toward more nexus and resilience programming in Türkiye may create further barriers for funding to L/NNGOs specifically. With an increase in development grant funding, FRIT 2 and post-FRIT funding trends have seen more funding being channelled to IFIs, which generally fund government institutions, and a decrease in funding to the UN, which acts as a key intermediary to L/NNGOs. Interviewees were clear that the direction of funding will increasingly be toward government actors, as well as the TRC. While this is promising in terms of further localising the response and integrating refugee support into national systems, ensuring L/NNGOs are also a part of ‘localisation’ is critical to the quality and effectiveness of the response as well as important in terms of preserving civic space.
4. Quality funding

Greater financing alone is not enough to increase locally led action. The quality of the funding that is passed to local actors is also critical for enabling an empowered and needs-driven local response. Quality funding refers to a range of different properties (see Box 1) such as the level of earmarking and the duration of funding, with certain characteristics having greater value in different contexts. In protracted crises, multi-year funding is especially important and was raised as a key issue by LNAs.

The following section is based on key informant interviews with LNAs and international actors in Türkiye and aims to understand the quality of international funding that reaches LNAs in Türkiye. While this study looked at both humanitarian and development funding flows, the following analysis is predominantly concerned with humanitarian funding as the LNAs interviewed received the majority of their international funding through INGOs and UN agencies, which is likely to be humanitarian (see Figure 12), despite many interviewees considering the work they do to be more related to development activities. In some cases, LNAs are not aware of who the donor is for the projects they implement with an international partner.

Multi-year funding

Minimal progress seems to have been made in increasing the duration of funding agreements for actors supporting Syrian refugees in Türkiye since commitments made at the World Humanitarian Summit in 2016. Most LNAs interviewed reported receiving an average grant length of one year or less, with three receiving funding from some international organisations of just six months. In total, less than half (7/17) of the local organisations interviewed reported having received a grant agreement of more than two years. Those that did included partnerships with UNDP, GIZ and the UN Population Fund. Similarly, most international organisations interviewed reported they also only received 12-month funding on average from donors and pass on the same duration to their local partners. There is some evidence of donors lengthening funding agreements, for example the US Bureau of Population, Refugees and Migration increased its possible partnership agreement length to three years (with funding agreed each year) based on feedback from partners. Two other donors interviewed acknowledged the need to extend programme funding to two to three years. Though short-term grants are extended multiple times in some cases, this lack of certainty impedes strategic planning for both international and national organisations but especially for L/NNGOs as indirect recipients.

Short-term funding affects programme effectiveness. A recurrent issue emphasised by interviewees was the inadequacy of short-term funding for programmes designed to support medium to longer-term durable solutions for refugees. For example, one-year funding cycles for higher education, livelihoods and social cohesion programming were reported to be impractical, and not effective. The impact of short-term funding on programming also impacts L/NNGOs’ relationships with the communities they support, for example one local women’s organisation lost funding from a UN agency for their case management service, which impacted trust with their client group. Short-term funding also limits the opportunity to develop more long-term strategic relationships with intermediary funders.
Short-term funding grants also affect the sustainability of LNAs. Issues around staff retention were raised by interviewees, with organisations unable to provide the job security larger international organisations can offer, as well as the inefficiencies of hiring and training up staff on short-term contracts tied to specific projects. One organisation reported that it cannot expand services as it has a policy to not hire staff on short-term contracts. Short-term grants also mean a large proportion of staff capacity is spent delivering reports for grants that are finishing and writing new proposals to secure further funding. L/NNGOs emphasised that these inefficiencies are both time and resource intensive and detracting from their core activity of supporting vulnerable communities.

Earmarking and budget flexibility

Funding for the Syrian refugee response is generally not considered flexible by INGOs and UN agencies, often the first-level recipients, or by LNAs. Donors mainly provide funding as project-based grants, with little flexibility outside agreed activities and targets. This limits the extent to which international organisations can pass on flexibility to downstream partners. L/NNGOs interviewed reported that the vast majority of the funding they receive from international organisations is tightly earmarked to geographical areas and sectors. A few interviewees reported that they receive less restrictive funding from Gulf donors and non-Western INGOs or funding from INGO emergency appeals. These non-traditional donors were considered less ‘strict’ by some interviewees due to different procedures and approaches. National organisations with international affiliation might be able to access unrestricted funding from their partner affiliates more easily, but further research is needed to determine whether these opportunities are used by national affiliates.

Earmarked funding can restrict how locally appropriate the response is and reduces L/NNGOs’ ability to meet the needs of refugees. Local actors interviewed reported that funding is allocated according to donor priorities, rather than being locally led, and that projects are not based on local organisations’ needs assessments. L/NNGOs want to be able to better influence and steer funding priorities that meet the needs of all refugees and vulnerable communities, rather than being limited within the parameters of donor-set objectives. However, the reality is that L/NNGOs generally access funding through answering specific calls for proposals from international organisations that leave little room for L/NNGOs to influence donor funding priorities.

L/NNGOs had different experiences when it came to wider budget flexibility, such as the ease of extension, reprogramming and flexibility between budget lines, depending on the donor. Generally, larger national organisations reported experiencing more flexibility, though this may be because they receive funding from a greater number of donors. Some interviewees who receive funding from Gulf donors commented on the relative flexibility in grants compared to Western donors in terms of project revision and reporting requirements. Overall, while the lack of flexibility from Western donors was generally considered to be counter-productive, a few L/NNGOs interviewed supported this strict approach as it was felt to improve quality of programming.

Overall, this inflexible, short-term funding means L/NNGOs commonly report that international organisations are disproportionately focused on compliance, numbers and outputs, rather than outcomes and impacts of projects. As one local organisation reflected: “they are so fixated on the finance that no one is bothering with the
quality of the work. We get so much feedback about financial issues but not much about other dimensions”.

**Overheads**

As more and more internationally funded programming in Türkiye is implemented through LNAs, including government institutions, the issue of overheads being claimed at different stages of the transaction chain has been a source of much debate. Overheads, or indirect costs, broadly refer to the costs incurred to manage an organisation, but which are not directly attributable to a specific programme. In recent years there has been significant advocacy promoting the pass-through of overheads to L/NNGOs, which is considered one of the most effective ways to strengthen local institutions and support sustainability.60

In Türkiye there are signs of progress with some L/NNGOs reporting they are more able to recover overhead costs now than in the past. Most L/NNGOs interviewed received some indirect funding or overheads from some of their international donors but this was inconsistently provided. L/NNGOs are often more reliant than international organisations solely on grant funding to cover their organisational core costs and overheads. Only a limited number of L/NNGOs are able to supplement grants with public fundraising that can be used to cover overheads, and the dependency on grant funding is even higher for smaller L/NNGOs and refugee-led organisations.

UNHCR, which implemented a new global policy of 4% overheads to local partners in 2019,61 and other organisations such as GIZ, were reported as providing unrestricted overheads in some cases. IFRC shares equally the overheads it receives from ECHO with the TRC. Other organisations, especially INGOs, were reported as only providing administrative costs as itemised budget lines rather than as unrestricted funding. Larger, more experienced L/NNGOs reported that the provision of overheads has changed over time, and that they have grown in confidence to advocate for these costs. Smaller organisations would seem to struggle more, for example LIFT applies an overhead percentage only on its larger grants and not for organisations accessing smaller grants.

L/NNGOs reported various challenges as a result of not being able to consistently cover overhead costs, including neglecting investment in their organisational capacity. This includes activities such as staff training, developing and improving organisational processes, policies and initiatives as well as resourcing the time to identify new funding sources to improve financial sustainability. Furthermore, without overheads, L/NNGOs are less able to meet government liabilities and manage risk, for example by covering gaps in funding that can arise between project grants. This can especially affect support staff positions that may be co-funded across various grants with different start and end dates, demonstrating the impact of repeated short-term grants rather than multi-year funding. Some organisations interviewed have had to make staff redundant as a result. Despite the uneven application of the overhead costs, at least some INGOs seem to be aware that the regulatory environment in Türkiye for both INGOs and L/NNGOs can mean that organisations accrue unexpected costs and recognise the need to have a standard overhead application that can support the operations of L/NNGOs.
Barriers to quality funding

A key barrier to better quality funding is that much of the funding which reaches LNAs in Türkiye is channelled through short-term, tightly earmarked humanitarian funding instruments that often require international funding intermediaries. Most of the international grant funding flows captured in this research were reported to come from donor humanitarian budgets, rather than development budgets, which generally operate on shorter-term funding cycles and often have eligibility regulations requiring that L/NNGOs access funding through an intermediary, most notably ECHO. For example, the largest programme of support for refugees, the ESSN, is funded by ECHO in one-year grant cycles. International intermediaries interviewed acknowledged the challenges a lack of quality funding poses for their local and national implementing partners, and reported that, in most cases, they pass on funding to partners with the same conditions they receive from donors. As a result, international organisations face many of the same challenges that stem from short-term and restricted funding. However, as local organisations often do not have direct access to donors, some of those interviewed expect international partners to advocate on their behalf, as well as create space for L/NNGOs to directly advocate to donors, around better quality funding, including direct funding.

L/NNGOs also reported that a lack of budget flexibility from international partners stems in part from a limited understanding and recognition of the context in Türkiye, including employment law. Examples given include a lack of understanding of the inclusion of severance pay in project budgets, a lump sum which must be held back by an employer in the case of an employee leaving, as required by Turkish labour laws. While progress has been made on this issue, interviewees reported how challenging it is to repeatedly explain these requirements to different funders. One organisation reported that international organisations expect local organisations to be able to cover these costs through other sources, but with limited access to overheads this is challenging for local actors. Other organisations flagged the problems they face having to return funds considered ineligible by international auditors who do not understand or recognise Turkish legal requirements.

Overheads are inconsistently passed on to LNAs, though INGO staff interviewed acknowledged the issues and supported a more consistent approach. Different donor rules around overhead rates and internal organisational policies, for example which see headquarters automatically deduct overheads, were given as reasons why overheads are often not able to be shared with downstream partners at the country level. Some INGOs interviewed tried to find ways to still support partners, for example by asking partners to include administrative costs as direct programme costs, and others reported that country office staff were internally advocating with their headquarters for policy change. However, a result of this lack of standard approach means that overheads must be negotiated per contract between international and national partners, with L/NNGOs having limited leverage in these negotiations. Furthermore, despite these good intentions, the reality remains that international organisations would most likely not accept a project without overheads while frequently expecting this of their local partners. The issue of overheads has now been taken up as a global policy priority (e.g., Grand Bargain localisation caucus) and action is expected to be seen on this issue soon.
5. Quality of partnerships

While the quality and volume of funding reaching LNAs is a central dimension of localisation, the quality of partnerships between international and national organisations is also critical to facilitating a locally led response. Respectful and equitable partnerships with reciprocal transparency and accountability is a fundamental foundation of localisation.62

Previous research has highlighted the prevalent ‘subcontracting’ nature of partnerships between international and national actors in Türkiye.63 For some L/NNGOs interviewed, their position as second or third recipients in a funding chain reinforces this experience of an ‘employer–employee relationship’. However, experiences differed and most L/NNGOs interviewed could give examples of partnerships where they felt they were subcontractors, and partnerships they considered to be more strategic. Generally, larger, more well-established L/NNGOs had better partnership experiences than smaller, local organisations. Ultimately though, most L/NNGOs interviewed did not feel they were completely equal partners with their international counterparts. While some international organisations interviewed have moved toward more of a strategic partnership approach, for example by working with the same partners over the long term and co-designing projects together, others did still view local organisations as implementing organisations. In other words, though the 'how' was increasingly being handed over to L/NNGOs, the 'what' remained in the control of the international organisation.

The compliance requirements and constant monitoring of L/NNGO cash management and activity was flagged as a key issue. This not only puts a large administrative burden on organisations but also strains the sense of trust between international and national partners. The intense scrutiny is at odds with the level of input L/NNGOs feel they have in budgetary decisions and the level of risk they are expected to take on in implementation. This limits a sense of empowerment, as one organisation said, “we don’t feel very autonomous because we need to justify our activities all the time”.

Despite this, partnerships between international and national actors have clearly evolved over time, and many L/NNGOs have worked with the same international partners for many years. Some L/NNGOs gave positive feedback of more strategic partnerships that have developed with international funders, though it was common for L/NNGOs to have different experiences of the same funder. Characteristics of these more strategic partnerships described by L/NNGOs include being involved in programme strategy planning and priority setting, joint problem-solving, transparency around the overall funding grant received from the donor by the intermediary and being able to participate in knowledge exchange activities, rather than just receiving capacity building, for example partnership evaluation workshops. Having greater autonomy and joint decision-making within programmes was considered an important element of strategic partnerships. One example of this was an L/NNGO that, rather than having to return underspend on a project because of exchange rate fluctuations, was able to use it for new activities. A national NGO interviewed also gave the example of two grants that came from the same back donor: while one international intermediary kept them informed of the overall grant...
and looped into updates with the donor and wider partners, the other only communicated to them about their sub-grant, which reduced their sense of being an equal partner.

**International organisations also reflected on the changes in their partnership approaches over the years.** One INGO reported that, in the past, it would not have included its local partners in project design and would have only identified partners after securing a grant. Now they seek to co-design projects with local partners, recognising the added value of their contextual knowledge and experience. Most international organisations interviewed expressed a commitment to enabling more productive, strategic partnerships and to supporting the development and sustainability of L/NNGOs. Some demonstrated this with country-level partnership strategies and targets as well as global organisational strategies committed to localisation. International organisations see the benefits in working with local partners, especially organisations with niche specialisms, refugee-led organisations and civil society organisations in peripheral areas which allow them to access and support hard-to-reach beneficiaries. International organisations also rely on the good relationships their partners have with the Turkish authorities to facilitate operations.

Most L/NNGOs interviewed received some form of ‘capacity building’ activities from international organisations as part of typical project grants. Intermediary organisations emphasised that capacity building is an important part of their active partnerships with local organisations, and that they undertake activities such as monitoring and training to build the long-term capacity of organisations to administer funds, which donors would not be able to directly provide. While some international organisations provided resourced capacity building, others provided it on a more ad hoc basis, often specifically linked to the project, such as support with financial reporting. In some cases, international organisations have facilitated peer-to-peer capacity building and mentoring schemes. Most L/NNGOs interviewed reported that they were able to identify their own needs and decide on the type of capacity building they would receive from international partners. Other L/NNGOs had fewer positive experiences and were provided with capacity building activities that they felt was irrelevant to their real organisational needs. L/NNGOs interviewed reported that partnerships with international organisations also provided less tangible support to organisational capacity, such as expanding networks, contacts and funding opportunities. In some cases, these partnerships and capacity building helped local actors access funding directly from UN agencies or even donors and bypass at least one intermediary.

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**Case study: National intermediaries: the Support to Life umbrella model**

A criticism of some capacity-building programmes is that they are designed to meet the needs of donors, for example focusing on financial reporting and compliance, rather than the organisational priorities of LNAs. To combat this, STL, a well-established Turkish NGO with international experience, has developed an ‘umbrella model’ for capacity sharing between itself and local NGOs. The idea behind the model was for community-based and refugee-led organisations in various parts of the country to upgrade their capacities to the point that they are
able to access funding from humanitarian donors and create greater impact with better quality outcomes.

This model started as part of STL’s cooperation with Terre des hommes, in which STL strengthened its internal capacity on child safeguarding and then shared this capacity with other NGOs to support them in developing their own policies and codes of conduct. This model was later adapted for STL’s partnership with UNHCR. With UNHCR funding, STL now engages in capacity-sharing activities with local NGOs in contextualised sectoral expertise, humanitarian principles and the Code of Conduct, Core Humanitarian Standard benchmarks, monitoring, evaluation, accountability and learning systems as well as financial management, procurement and human resource management policies and practices. Identified NGOs are often charity based and located in areas where there is little or no NGO activity around refugee support. The umbrella model seeks to embed rights-based approaches within local NGOs as well as improve their practices and processes in access to services, psychosocial support programming, protection, social cohesion and livelihood activities. This model embraces a long-term capacity development partnership of mentoring and feedback between local NGOs, STL and UNHCR, enabling UNHCR to expand its funding to a broader base of local organisations in harder-to-reach areas. In the first years of applying the model, UNHCR mostly shaped the NGO selection and the capacity-building priorities. However, over time, STL was able to exert greater influence. STL’s close communication and interaction with the selected NGOs resulted in participating NGOs becoming more vocal about their capacity needs, turning it into a peer-to-peer exchange and learning model.

Within the umbrella model, STL is actively monitoring the development of NGOs. Some NGOs have been able to access funds from different donors as result of the support, including three local NGOs who established partnerships with an INGO, and one who went on to partner with STL in a joint campaign on social cohesion.

Despite examples of positive partnerships, some L/NNGOs expressed frustration at the impact international organisations and the imported ‘Western’ way of working has had on civil society in Türkiye. For some, the result of increased Western donor funding for the refugee response, and associated compliance requirements, has led to a professionalisation or marketisation of L/NNGOs, which negatively erodes the volunteerism at the heart of traditional Turkish civil society. This means NGOs are more business-minded and have “changed the way people understand civil society”. One example of this professionalisation given was small, local organisations having to open new staff positions to meet audit requirements, or donors imposing unachievably high salary scales on NGOs. This reflects an ongoing discussion around the impacts of international funding on civil society in Türkiye, which has been a concern since before the Syrian humanitarian response.
Barriers to strategic partnerships

The subcontractor experience of L/NNGOs is partly a result of the existing international funding system and type of funding available – i.e. highly projectised, inflexible, short-term funding – rather than a conscious partnership strategy on the part of international organisations. This remains a key barrier to more productive relationships between international and national actors. Intermediaries often have heavily contractual relationships concerning accountability and risk with donors that necessitate a similarly contractual relationship with downstream partners. More flexible, multi-year funding would in part facilitate more strategic long-term partnerships, in which both partners have space to focus more on strategic programme delivery.

Beyond funding modalities, interviewed L/NNGOs – especially local NGOs – noted the importance of international actors investing in getting to know LNAs better. L/NNGOs emphasised the importance of international actors recognising the existing knowledge and experiences of LNAs and to approach working with L/NNGOs in a way that promotes mutual learning and identifies the complementarity of each organisation in a partnership.

While there is an intention among most international organisations interviewed to move toward strategic partnerships, they reported several challenges. Firstly, as is common in other contexts, INGOs reported that some L/NNGOs do not have the capacity or are not ‘ready’ to move into more strategic partnerships. Capacity concerns had slowed down the attempts to develop longer-term strategic partnerships of two INGOs interviewed, despite internal localisation strategies and targets to increase funding to local actors. Issues around governance, management and compliance affected trust building. A few international organisations reported acting with more caution due to the perceived rise in ‘briefcase NGOs’ – reflecting a concern that some national and international organisations have responded to the influx of international funding into Türkiye as a business opportunity.

Some international organisations also highlighted internal barriers, including a disconnect between global organisational commitments to localisation and the reality in country offices. Organisations reported there can be reluctance from in-country staff to hand over programming and resources to local actors for varying reasons, including reservations about the quality of work, and a lack of understanding and buy-in to the localisation agenda.

The 3RP coordination structure at the technical working group level was reported to be accessible by both local and international actors, with clear efforts made to facilitate participation of local organisations, for example continued online meetings and meetings conducted in the Turkish language. These coordination platforms provide a valuable opportunity for strategic discussion and interaction between international and national actors. At a more senior level, the strategic coordination of the refugee response in Türkiye is less inclusive, with the UN Country Team and the Syria Response Group operating as closed groups. Some international organisations reported that a lack of an L/NNGO forum was a barrier to local actors more actively participating in coordination. At the same time, some L/NNGOs reported that international actors should not expect local actors’ coordination structure and systems to mirror their international counterparts and that the willingness of international actors to adapt to the context at hand is a key
component of the localisation agenda. There is also no donor forum or coordination group in Türkiye, which limits opportunities for donors to interact with L/NNGO representatives and could also limit the degree of coordination and harmonisation among donors in their approach to L/NNGOs.

The overall decline in humanitarian funding has also led to increased competition for funding. Frustration was levelled at INGOs who act as competitors with L/NNGOs for international funding, rather than stepping back and facilitating local empowerment and sustainability. As one organisation said, INGOs “should not be a competitor, they should either always stay here and compete with us or if they are eventually going to leave, they need to support the local NGOs and let us grow.” A key grievance was around the inflationary impact international organisations have had on the Turkish labour market with local NGOs being unable to retain staff, they often have invested in, due to the much higher salaries of international organisations who also often pay in foreign currencies rather than Turkish Lira. This has been exacerbated more recently by the currency crisis in Türkiye. This undermines the sustainability and institutional memory of organisations, with one women’s organisation reflecting that international organisations “were almost hunting our staff… I had to raise salaries to keep our quality staff but donors then say these salaries are too high… [international organisations] come and become our competitors”.

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6. Conclusion and recommendations

International humanitarian and development grant funding has significantly contributed toward the government-led response to the Syrian refugee crisis in Türkiye. The increased availability of funding and presence of international donors and organisations has also undeniably supported the development of L/NNGOs. Local actors have expanded their activities and gained greater know-how and experience. Coordination and networks between LNAs and international partners have improved and promoted greater collaboration among L/NNGOs, strengthening local leadership.

LNAs, especially the GoT and the TRC, are increasingly responsible for implementing most internationally funded programmes in Türkiye. However, donor funding instruments, regulations and preferences mean that LNAs are still unable to access much international donor funding directly. This challenge is more acute for L/NNGOs than it is for national government institutions, which receive the majority of this direct funding. Nevertheless, considering that Türkiye is a higher middle-income country with a strong state tradition not historically reliant on external grant funding, the direct funding that is currently available to the government is notably low. Some significant shifts from humanitarian budget lines – from which most funding to L/NNGOs comes – to development ones, suggests that access to funding for L/NNGOs may require development of mechanisms to increase funding directed to LNAs, especially L/NNGOs. Our research found that local NGOs, refugee-led and women’s organisations in particular received a very small proportion of international funding, both directly and indirectly.

Access to quality funding is both a criterion and enabler of localisation, as well as indicative of its nature and extent in practice. However, localisation is about more than funding: it is also about interrogating and breaking down broader power relations between donors, international organisations, intermediary organisations and local actors. Localisation needs to be seen as a framework which recognises the experiences and leadership of local actors rather than focusing solely on funding transactional relationships. How funding is organised, prioritised and accessed needs to reflect this. While there are examples of strategic partnerships in Türkiye, the widespread dependence on short-term, projectised humanitarian funding was found to reinforce a ‘subcontracting’ relationship between international and local actors in some cases. This model treats L/NNGOs as implementing partners only and highlights a disconnect between the increasing support for localisation at the global level and the reality at country level.

Türkiye remains a complex political environment to operate in for both international and national actors. Calls to increase funding ‘as directly as possible’ to LNAs are valid – direct funding is a more cost-effective way of delivering assistance and links donor funding decisions more closely with those who know the context and needs best. However, many donors have limited capacity, or are unwilling, to manage large numbers of grants – a reality reflected throughout the humanitarian system. Funding which passes through an intermediary therefore needs to be based on improved partnerships,
enhanced coordination and complementarity, joint planning and prioritisation and equitable cost and risk sharing.

**Recommendations for donors**

- **Donors should increase direct funding to LNAs wherever possible and actively encourage their international partners to pass on more funding.** Despite LNAs now implementing the majority of programming to support Syrian refugees, they still receive most funding through an intermediary organisation. Türkiye has strong and well-established public institutions and a civil society with humanitarian and refugee response experience that predates the Syrian crisis. Properly resourcing and investing in LNAs to optimise the experience and capacity that already exists is critical for expanding and sustaining long-term, effective support to disaster and crisis-affected populations as well as at-risk communities.

- **Donors need to commit to ensuring that the localisation of funding in Türkiye includes different types of LNAs, and that there is genuine involvement of local actors in determining funding priorities.** While direct funding to LNAs in Türkiye seems to be growing, it is mainly directed at government actors. L/NNGOs play an important and complementary role to the state and also need to be supported. The increasing role of IFIs and development agencies in the refugee response risks less funding reaching civil society as these actors typically provide little or no funding to L/NNGOs, with diminishing opportunities for civil society to influence funding priorities, especially in the context of strong government leadership. In particular, groups such as local NGOs, refugee-led and women’s organisations are at risk of being left behind, and with them the marginalised communities they support. Wider risks around the politicisation of refugees reinforce the need for civic space to be strengthened and for L/NNGOs and their networks to be properly resourced.

- **Funding mechanisms need to be more accessible to a diverse range of L/NNGOs.** Funding instruments should be better adapted to different types of organisations, including the levels of experience, the administrative size of organisations and capacities (e.g., language). While the exact shape of the post-FRIT funding is not clear, it provides an opportunity to reshape how funding is channelled to Türkiye and to remove prohibitive eligibility regulations for L/NNGOs. Funding processes should also be streamlined to address the administrative burden L/NNGOs face in applying for and managing funding grants. The LIFT, co-funded by BMZ and ECHO, is a good example of a funding instrument that addresses some of the barriers local actors face in accessing international funding. With no other pooled fund in Türkiye, there is space for the scaling up of this type of multi-donor funding mechanism, with support from other donors. While development funding, which typically has longer-term horizons, would appear to be increasing, most of the funding which L/NNGOs receive still comes from humanitarian budgets. There is therefore a need to expand the accessibility of development funding and mechanisms for L/NNGOs to ensure the decrease in humanitarian funding does not cut off funding opportunities for civil society-led initiatives. Nexus approaches also need to be implemented in funding mechanisms to holistically address converging humanitarian, development and peacebuilding priorities.
Donors need to realise commitments made around quality funding and to provide multi-year, flexible funding that covers the overheads of all recipients. Many donor-funded programmes are well established yet run on one-year cycles. Short-term grants limit programme impact, weaken relationships between aid organisations and refugees and host communities and perpetuate fragile existences for many L/NNGOs. While there remains a need for humanitarian assistance, better-designed humanitarian funding would support both international and national actors to better respond to the medium-term needs of Syrian refugees. Multi-year funding would help enable a transition to longer-term resilience programming.

Recommendations for intermediaries

- International organisations that act as intermediary funders to LNAs should increase the volumes of funding they pass on to LNAs. They also have a critical role to play in ensuring L/NNGOs have access to quality funding. Intermediary organisations should increase provision of multi-year, flexible funding to partners, as well as advocate to donors to increase both the quantity and quality of funding provided. Intermediaries must also commit to providing indirect costs on all projects to local partners. Intermediaries also need to create space for L/NNGOs to directly access decision-making spaces. High-level refugee response coordination in Türkiye remains closed to L/NNGOs, and intermediaries should advocate for L/NNGOs in these spaces not open to them. International actors also need to continue to build on efforts to meaningfully include local actors in setting strategies and priorities for funding and lend their international funding networks to local actors to support better long-term outcomes for refugees and host communities.

- Intermediaries should continue, and enhance efforts, to develop strategic partnerships with L/NNGOs, including local NGOs, refugee-led and women’s organisations, and address deep-rooted power dynamics. Some progress has been made to ensure participation of L/NNGOs in programme design, but there is still a long way to go to move away from ‘subcontracting’ models, and to live up to commitments made around transparent, open and equitable partnerships. As the refugee response in Türkiye continues to evolve, longer-term, strategic partnerships would allow for more honest conversations about the different roles international and national actors should play, including around the role of intermediaries, as L/NNGOs continue to implement a large share of refugee response programming.

- Provide support to growing local networks. Growing networks like the TMK and the Localisation Advocacy Group have a clear role to play in coordinating and representing the interests of different L/NNGOs in international coordination mechanisms and wider collaboration around localisation. The formation of a National Reference Group in Türkiye as part of the Grand Bargain 2.0 provides an opportunity to support and facilitate locally led, multi-stakeholder action around localisation. Furthermore, as development funding increases as a proportion of overall refugee financing in Türkiye, the need for joined-up ‘nexus’ coordination mechanisms are even more important. L/NNGOs need to be front and centre of these coordination mechanisms and discussions.

- Intermediaries committed to the localisation of aid have a critical role to play in changing the narrative in the humanitarian aid sector. International organisations
should ensure that mainstreamed throughout their work and partnerships with LNAs is a conscious commitment to challenge the concepts, language and theoretical frameworks that tend to reproduce discrimination and exclusion.
Funding to local actors: evidence from the Syrian refugee response in Türkiye

Notes

5 Recent evidence around the benefits of quality funding include: IRC, 2020. A win-win, Multi-year flexible funding is better for people and better value for donors; DI, 2019. Field perspectives on multi-year humanitarian funding and planning: How theory has translated into practice in Jordan and Lebanon; DI, 2020. Catalogue of quality funding practices to the humanitarian response.
8 It is worth noting that it is not possible to confidently and comprehensively identify spending that is specifically earmarked for the Syrian refugee response in Türkiye on the OECD DAC CRS, which does not mark funding for the Syria refugee response, or OCHA’s FTS, which does not capture development funding outside the Syria Regional Refugee and Resilience Plan (3RP).
9 The report uses the term ‘International RCRC Movement’ to refer to IFRC, ICRC and national societies from donor countries. References to National RCRC Societies in recipient countries (in this case the Turkish Red Crescent) are categorised as LNAs.
10 Analysis of the OECD DAC CRS and OCHA’s FTS were used to sense check our findings. A keyword search methodology employed on the CRS suggests that nearly half (US$551 million) of development grant ODA to Türkiye in 2020 was for the refugee response. 3RP funding (which includes both humanitarian and development funding) reported to OCHA’s FTS shows that in 2020, US$242 million was contributed to the Syrian refugee response in Türkiye.
12 This forthcoming guidance is currently in draft form. It defines women’s organisations as those where at least 50% of the board, executive positions and/or staff/volunteers are women (and/or girls).
13 UNHCR, Türkiye: Latest updates, available at: https://reporting.unhcr.org/turkey#toc-latest-updates. Note that Türkiye does not recognise Syrians as ‘refugees’ in the legal sense due to Türkiye’s interpretation of the 1951 Geneva convention which applies a geographic limitation to only recognise refugees from Europe.
18 The beginnings of the asylum system in Türkiye were introduced starting in the 1990s. See also: Aydin, U. and Kıris. K. ‘With or without the EU: Europeanisation of asylum and competition policies in Turkey’ South European Society and Politics, 2013, 18(3).
19 UNHCR, 2022. Under international human rights law, the principle of non-refoulement guarantees that no one
should be returned to a country where they would face torture, cruel, inhuman or degrading treatment or punishment and other irreparable harm.


22 Netherlands Institute of International Relations, 2021. A new momentum for EU-Turkey cooperation on migration. Available at: www.čdingendaal.org/sites/default/files/2021-02/Policy_brief_EUTurkey_cooperation_migration_February_2021_0.pdf


27 Ibid.


30 Oxfam, 2021. More Local is Possible: Recommendations for enhancing local humanitarian leadership and refugee participation in the Gambella refugee response. Available at: https://policy-practice.oxfam.org/resources/more-local-is-possible-recommendations-for-enhancing-local-humanitarian-leaders-621311


33 UN, 2018. Global Compact on Refugees. Available at: www.unglobalcompact.org/5c658aed4


40 Whether funding is provided as humanitarian or development assistance is unknown for a certain portion of funding in 2019 (1.9%) and 2020 (8.6%) as collected by DI. This is due to instances where donor and intermediary datasets compiled by DI have been reconciled to account for higher annual budgets reported by intermediaries.

41 Findings from an OECD survey in 2020 would suggest that the share of funding provided as humanitarian assistance has significantly fallen since 2019. The study found that in 2018 and 2019, of the US$1.8 billion in grant funding Turkey received for the refugee response, 80% (US$1.4 billion) was humanitarian.

Most funding has been disbursed through the Humanitarian Aid Instrument (HUMA), managed by the Directorate-General for European Civil Protection and Humanitarian Aid Operations (DG ECHO), and the Instrument for Pre-accession Assistance (IPA), as well as small volumes through the Instrument contributing to Stability and Peace (IcSP), both managed by the Directorate-General for Neighbourhood and Enlargement Negotiations (DG NEAR). Part of the assistance under the IPA in the first tranche was also delivered through the EU Regional Trust Fund (Madad) (EUTF). Funding channelled through NEAR (IPA) has increased in the second tranche as the proportion of development assistance has also grown.


The EU provides funding directly to L/NGOs through the Instrument for Pre-accession Assistance 2 (IPA2) through this is managed through the EU Delegation, rather than being channelled through the FRIT.

GIZ, 2020. Improving social services for refugees and host communities by supporting community centres and local initiatives: www.giz.de/en/worldwide/67106.html


HPG-ODI and TMK, 2021. Refugee advocacy in Turkey: from local to global. Available at: https://turkiyemultecikonseyi.org/uploads/Belgeler/Protection_IP_Turkey_case_study_WEB.pdf

The IASC Results Group 5 are currently developing guidance for UN agencies and INGOs on the provision of overheads for L/NGAs (expected to be published in October 2022). The Grand Bargain localisation caucus established in June 2022 is also focusing on the issue of overheads for local partners.

UNHCR, 2019. Guidance for partnering with UNHCR. Available at: www.unhcr.org/uk/5c8c21c7.pdf


Support to Life research for the ALNAP SOHS, 2021 (forthcoming); ‘Refugee advocacy in Turkey – from local to global’ (ODI and TMK, 2021); ‘International Refugee Congress 2018 Consultation Report’ (Oxfam, 2018).
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