

Guidance on Monetization in the Shelter/NFI Humanitarian Response in Ukraine



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R. Wynveen Sloviansk May 2016

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- UNHCR
- People in Need
- ADRA
- International Organization for Migration
- Norwegian Refugee Council
- Mercy Corps
- International Medical Corps
- Kramatorsk SOS
- Donetsk and Luhansk Regional Administration
- Global Shelter Cluster Cash Working Group

Purpose of the Document and Essential Vocabulary

Objective- To remind Shelter/NFI stakeholders of the options to monetize and to facilitate the implementation of monetized Shelter/NFI programming in a country, which already has an established social protection system

Essential Vocabulary

1. Cash can be delivered through restricted or unrestricted transfers. **Unrestricted cash transfer** means that the beneficiary is allowed to use the cash transfer on anything that he or she chooses.¹ **Restricted cash transfer** refers to when the beneficiary is informed that the cash assistance is provided for access specific, pre-determined goods and services, and he or she in principle agrees to use it for those specific purposes. A voucher is one example of restricted cash.² The restriction or the lack thereof refers to the intended use of the cash.
2. Within the delivery of a cash transfer, based on the type of programming, one can choose whether to apply a conditionality to the cash transfer. A **conditional cash transfer** refers to prerequisite or qualifying conditions that a beneficiary must fulfil prior to receiving the transfer.³ An **unconditional cash transfer** means that the person does not have to do anything or fulfil any minimum criteria in order to receive the cash transfer.⁴
3. The Cash Working Group in Ukraine has coined the term “Cluster-specific cash transfer” and the Cash and learning partnership distinguishes between **multi-sector** and sector specific cash partnership. CaLP defines multisector cash as “A coordinated approach to cash transfers whereby a range of sector needs would be addressed through CTP by one organization or a range of organizations working together, possibly using a one delivery mechanism, but otherwise managing their program in the traditional way.”⁵ This is more of an indication of who has the responsibility for implementing the program. Multi-sector cash should not be confused with the term **multipurpose cash**, which is a reference to the minimum amount of a money a household requires in order to meet minimum basic recovery needs based on a minimum expenditure basket. While some actors may opt to use multipurpose or multi-sector cash, there has not yet been any evidence provided on the outcome or impact that this modality has on meeting beneficiary needs.
4. Increasingly, because of concerns about shelter safety and access to quality materials, Shelter/NFI partners have discovered that **mixed modality** can be an effective way to drive **owner driven approaches**⁶ to shelter repair projects. Such mixed modalities can include provision of the proper materials and delivery of cash in instalments for labour or for purchase of carefully defined and market available materials.

¹ Cash and Learning Partnership Glossary: <http://www.cashlearning.org/resources/glossary>

² Ibid.

³ Ibid.

⁴ Ibid.

⁵ Ibid.

⁶ <http://www.ifrc.org/PageFiles/95526/publications/E.02.06.%20ODHR%20Guidelines.pdf>

Types of Monetization in Ukraine's Shelter/NFI Sector

The Shelter/NFI Cluster views **cash as a modality** to meet certain sectorial needs created by the humanitarian crisis in Ukraine. The following are the most prominent monetization used within the Shelter/NFI sector in Ukraine.

- **Cash for rent-** A conditional cash program by which a family or an individual receives cash for the use of payment on a rental agreement with the landlord. Some agencies refer to this type of monetary program as “non-owners support.”⁷ As the majority of IDPs do not have formal rental agreements with their landlord⁸, the Shelter Cluster in Ukraine recommends a **tripartite agreement** between landlord, beneficiary household, and implementing agency. Monitoring is required at least once per month in order to verify shelter conditions and monitor protection risks. Protection mainstreaming is essential in order to mitigate property owner (landlord) exploitation, tensions with neighbours who may not be receiving financial assistance, and to monitor issues of ownership. In Ukraine, beneficiary IDP households have used this assistance for financial support after resource exhaustion, renovation of an existing accommodation, and for moving to an accommodation with better conditions. In 2016, partners learned that the program had a stronger success for IDPs not residing in collective centres due to beneficiary willingness to participate in such type of programming.⁹
- **Cash for heating and utilities-** The conflict has made it particularly more difficult for IDPs to afford rising costs of heating and other utilities, particularly during the winter months and in light of subsidy reforms made in April and July of 2016.¹⁰ Because the Government of Ukraine provides subsidies¹¹ based on household income, size, and utility cost, it is important to ensure that provision of cash should not take the place of these subsidy programs.
- **Restricted cash for winterization fuel/NFIs-** The objective of this humanitarian assistance is to enable beneficiaries to secure and maintain adequate temperature during the winter and ensure that beneficiaries are able to purchase basic winterization goods such as socks, thermal underwear, boots, gloves, hats, and winter jacket. This type of program works particularly well to support internally displaced persons living further away from the contact line in Donetsk and Luhansk Oblasts. The restriction is applied to target the specific and precise needs of the beneficiaries and facilitate an earlier path to recovery, as agencies are better able to measure the outcome of the assistance.

⁷ [IOM Emergency Manual](#)

⁸ The 2015 REACH Shelter/NFI Assessment in the Eastern Oblasts (Dnipro, Kharkiv, Zaporizhia, Donetsk, and Luhansk) reported that 22% did not possess any form of a rental agreement, while 67% said that their binding agreement was not an official rental contract. In 2016, the Interagency Vulnerability Assessment found that 90% of IDPs in Donetsk and Luhansk had no rental agreements.

⁹ IOM presentation at the [29 June 2016 National Cluster Meeting](#) on their [cash for rent post distribution monitoring](#) of their program in Kharkiv (where only 3% of their beneficiaries were originally residing in Collective Centres).

¹⁰ <https://www.iisd.org/gsi/news/winter-approaches-ukraine-subsidy-reforms>

¹¹ <http://www.kmu.gov.ua/control/calculator>

- **Vouchers/Cash for repairs (excluding corrugated roofing slate)**- Cash or voucher for repair work can be a way to stimulate ownership of shelter projects and facilitate the recovery process. Vouchers or a cash restriction ensures that repairs are adhering to local and international building standards and beneficiaries are receiving technical support for the recovery effort. Such programming requires a high degree of engineering and on the site construction skills. BoQs are compulsory and a qualified engineer should supervise all works. The implementing agency is responsible for ensuring that the beneficiary is able to provide [all appropriate documents required for tenure](#) and will be liable for purchase of inappropriate materials such as asbestos, which pose significant health risks to those who are living in the house. Payments per instalment are required according to the volume of repairs (minimum 2 instalments per BoQ). Prior to delivery of the instalment, a monitoring and evaluation team alongside qualified engineers should assess the works to ensure that they comply with safety, construction, and technical standards. Particularly for disabled people, extra construction works may be required for easing their ability to reside in the accommodation, and these works should respect Ukrainian legislation.¹² In these cases, direct implementation by the agency may be an appropriate modality both for transportation of materials and for construction of the disability
- **Cash for repairs to existing housing stock (accommodation for IDPs)**- Prior to the start of the crisis, the majority of Ukraine’s housing stock was old (with only 7% of housing constructed prior to 1991) and 51.1% of the housing stock had never received capital repairs.¹³ Between 260,000 to 500,000 IDPs have decided to settle in communities alongside and not return to their place of origin home, and thus require accommodation sometimes in old and decaying homes. Humanitarian agencies have thus provided small cash grants to IDP families to repair housing stock not damaged by the conflict so that an IDP can accommodate his or her family in a new but in need of repair home. Repairs require the same type of monitoring as the “cash for repairs” description above, but cooperation with local authorities and ensuring that ownership documents are in order to facilitate integration within the community are required.
- **Cash for work**- To link shelter interventions with early recovery and to involve non-affected neighbours (host community) into repair works, cash-for-work can be employed. Cash for work is designed to create temporary work opportunities to vulnerable segments of the population (able-bodied unemployed individuals) through small-scale projects. Smaller scale work projects can include the removal of rubble (provided that workers are provided with the appropriate safety gear and have minimum exposure to asbestos) and light repair works. For structural repairs and reconstruction, more-able bodied individuals can be involved alongside experienced engineer and shelter personnel. More information on cash for work in the shelter sector

¹² Ukraine Shelter/NFI Structural Repairs and Reconstruction Guidelines [Annex VII](#)

¹³ [UNECE Country Profiles on Housing and Land Management Ukraine2013](#)- NB- these are the official statistics, which the UNECE clarifies understate the magnitude of the challenge.

in Ukraine can be found in the [Shelter/NFI Cluster's Guidelines on Structural Repairs and Reconstruction](#).

Shelter/NFI Activities and the Modality of Monetization

Activity	Aim	Duration/Frequency	Could I use cash?	Should it be conditional or unconditional?	Should it be restricted or unrestricted?
NFI Acute emergency (blankets, bedding, clothing, kitchen set, candles)	To replace essential items in the immediate aftermath of a crisis situation (displacement/shelling)	Once, as soon as need identified	No- If goods are available in the market e-vouchers or simple vouchers can be negotiated with retailers	Not applicable- cash inappropriate as need to meet the need instantly	Not applicable- cash inappropriate as need to meet the need instantly
NFI Winterization (jackets, winter shoes/boots, socks, blankets, flashlight/candles, clothing)	To keep immediate space around bodies warm to maintain core body temperature	Starting in September/October, one time	Yes in GCA	Unconditional	Restricted – Unrestricted can be used, but beneficiary could also use for other things diminishing the assistance focus making it very challenging to measure the life-saving impact

Activity	Aim	Duration/Frequency	Could I use cash?	Should it be conditional or unconditional?	Should it be restricted or unrestricted?
Winterization Fuel	To raise and maintain core body temperature	Starting in September/October, one time	Yes in GCA	Unconditional- a condition can be applied if wanting to make sure beneficiary purchases reasonable fuel per household type of heating	Restricted – Unrestricted can be used, but beneficiary could also use for other things diminishing the assistance focus making it very challenging to measure the life-saving impact
Shelter Insulation (water and wind proofing (glazing, closing any other openings) and installation of insulation)	To provide protection from the elements and basic insulation	Can begin in June or July in advance of winter months	ONLY IF materials available and only in GCA (If materials are available in the market, E vouchers or restricted cash are strongly recommended and can be available for	Conditional (based on at least one assessment and preparation of BoQ by engineers)	Restricted

Activity	Aim	Duration/Frequency	Could I use cash?	Should it be conditional or unconditional?	Should it be restricted or unrestricted?
			only certain materials		
Acute emergency repairs	To provide immediate protection enabling those living in the premises to have protection from the elements while preventing further decay of the structure	Once, as soon as need identified	No	Not applicable- cash inappropriate as need to meet the need instantly	Not applicable- cash inappropriate as need to meet the need instantly
Shelter repairs	To repair a section or complete house according to the scale of damage and the identified and contextual needs of those residing in the house	One time, depending on need, length of project depends on type of repair	ONLY if proper BoQ drawn, engineer is able to regularly monitor outputs, and delivery of cash is done through instalments	Conditional	Restricted
Rent, utilities	Secure access to adequate shelter for 6-12 months	6-12 months	ONLY if willing to conduct regular monitoring for	Conditional	Restricted- Unrestricted cash grants can be used but it does not

Activity	Aim	Duration/Frequency	Could I use cash?	Should it be conditional or unconditional?	Should it be restricted or unrestricted?
			protection and shelter risks		guarantee that the beneficiary will use the money to meet the need for support on rent and utilities diminishing the assistance focus making it very challenging to measure the life-saving impact
Community Mobilization/Host community activities	To facilitate path to early recovery and revitalize essential community infrastructure such as schools, hospitals, roads, bridges	6-12 months	Yes- cash for work can be used as incentive for social cohesion, and must be properly targeted	Conditional	Restricted

Evaluating Monetization in the Shelter sector in Ukraine

The monetization of a Shelter/NFI intervention requires agencies to monitor and evaluate not only the output level but also the outcome and overall impact on the beneficiary. Improper monitoring prior to the beginning of a project, throughout the course of a project, and after the project could lead to harmful results on local markets, instigate tensions between beneficiaries and non-beneficiaries, create dependency, prevent beneficiaries from realizing opportunities for new livelihoods, or enhance protection risks.¹⁴ Ukraine’s housing sector can have a direct influence on the country’s (or even municipal) macroeconomic status. This means that humanitarian interventions should be aware that monetary injections have the opportunity to create growth or to hamper it. Choosing the correct indicators therefore is crucial in seeking to do no further harm and to create optimal conditions for recovery.

Repairs

Component	What to Monitor
Market Considerations	<ul style="list-style-type: none"> - Market functionality: Are beneficiaries in a position to spend (ie do they have disposable income to spend)? - Are suppliers able to regularly stock local markets with such items and materials? What are the prices of the required goods? - Market access- Are beneficiaries able to easily access the market and how (walking, by car)? Are they able to transport goods from the market? - What are average daily wages? Is the payment for labourers consistent with local wages to avoid creating tensions with others in the community? - What financial systems exist within the community and what is the most appropriate way to facilitate cash transfers given dynamics within the community?
Quality Assurance	<ul style="list-style-type: none"> - Are materials of durable and appropriate quality for the winter climate of Ukraine? - Are beneficiaries able to purchase materials of an adequate dimension? - Are materials asbestos free? - Are beneficiaries able to access technical assistance (such as training or consultation) to ensure that materials purchased can meet the objectives of repair works?
Technical	<ul style="list-style-type: none"> - Is the BoQ in adherence with Ukrainian and international standards? Does it align with the appropriate volume of the works?

¹⁴ “Cash transfer programming: benefits and risks” L. Seferis Professionals in humanitarian assistance and protection (PHAP) <https://phap.org/thematic-notes/2014/march/cash-transfer-programming-benefits-and-risks>

	<ul style="list-style-type: none"> - How many stages will the works be divided into? - How many instalments will be done throughout the project? - Are adequate resources available, so that engineers and program personnel are able to monitor the works?
Tenure	<ul style="list-style-type: none"> - Does the beneficiary have documentation attesting to the ownership or the right to use land, or lease agreement or superficies agreement? - Is the agency able to acquire a duly certified copy of a consent of the land/residential building owners to construction and repairs on site?
Socio-Economic Indicators/Profile	<ul style="list-style-type: none"> - How many people are living in the house? - Who is the head of the household? How many dependents do they support? - Do those living within the house have any disabilities? - Is the beneficiary able to acquire and transport materials? - Does the beneficiary require any assistance to live independently? - Are they employed or unemployed? - Do the residents have any income sources? - Do residents know how to monitor properly the implementation of the works?
Adequacy	<ul style="list-style-type: none"> - Has the beneficiary household had an opportunity to provide feedback to the work plans? Do they understand what the repairs will (and perhaps will not) accomplish? - How many rooms are available per person? What are the dimensions of the house and its rooms? - Does the house have functioning heating systems? - Does the house have sufficient water inside the accommodation? - Does the house have access to hot water inside the accommodation? - Does the accommodation have sufficient insulation for the winter (in proportion to the number of people living and the dimensions (square meters or number of room per person)? - Is the house exposed to any leaks and are their parts of the house that are not sufficiently insulated and exposed to drafts? - Is there adequate access to electricity?

Cash for Rent

Component	What to Monitor
Shelter Conditions/ Adequacy	<ul style="list-style-type: none"> - What is the beneficiary's accommodation type? - What type of ownership status does the beneficiary have? - Does the beneficiary have access to running water inside the accommodation? - Does the beneficiary have access to hot water inside the accommodation? - Do two families have to share a toilet or shower? If so, how many people are sharing these facilities? - Is the accommodation sufficiently insulated for winter? - Does the accommodation have significant access to heating? - Does the accommodation have significant access to heating resources per the type of heating system that is required? - Does the accommodation have any leaks and is it protected from the elements? - How many rooms are available per person? What are the dimensions of the house and its rooms?
Socio-economic Profile	<ul style="list-style-type: none"> - What are the economic pressures that beneficiaries are facing in their day-to-day lives? (I.e. What percent of their income do they spending on necessities including rent, utilities, heating, clothing, food, education, medical expenses, etc.?) - How many people are living in the house? What are the ages of those living within the accommodation? - What is their employment status? - What are their primary sources of income and how many dependents does the head of the household support? - Do any of the members of the household have any disability? If in a multi-story building, does the individual have any difficulties in accessing communal areas of the building due to this disability? - Do they have adequate privacy
Tenure	<ul style="list-style-type: none"> - Does the beneficiary have an official rental contract for the accommodation they are renting? - Has the project included a tripartite agreement between implementing agency, beneficiary, and landlord? - Does the beneficiary have any concerns about risk of eviction?
Protection Criteria	<ul style="list-style-type: none"> - Refer to pages 14-16 or the Protection Cluster Factsheet

How to Count Multipurpose Cash Grants

Recording multipurpose cash grants to see if they meet the Shelter/NFI needs of the affected population poses quite a challenge. **IF** MPGs are designed in such a way that the value of the grant is in proportion to the need assessed **AND** those using MPGs agree to align their indicators with those established by Shelter/NFI partners, **THEN** it would be possible for Shelter/NFI indicators to be counted within the sector. Consultations between those implementing this more general form assistance with the specific shelter/NFI assistance should happen at the design of the post distribution monitoring.¹⁵ This not only requires coordination between the Cash Working Group and Shelter/NFI Cluster but also within agencies to agree on appropriate indicators.

Protection Mainstreaming

The Ukraine Protection Cluster has issued a vulnerability [factsheet](#) to explain how to measure vulnerabilities when targeting beneficiaries in programming. As mentioned above, mainstreaming monitoring of protection risks that could arise through cash injections determines the impact of the project on achieving adequate shelter and may require adjustments in implementation depending on identified risks. In the [Shelter Cluster's Guidelines on Structural Repairs and Reconstruction](#), the Cluster provides an adaptation of this factsheet for Shelter concerns. This matrix is readapted again below for these guidelines:

Personal	Location and type of household	Socio-economic factors	Documentation
<ul style="list-style-type: none"> - Household composition - Newly disabled breadwinner - Elderly - Children - Special needs of family members 	<ul style="list-style-type: none"> - NGCA - Along the contact line - Type of accommodation 	<ul style="list-style-type: none"> - Level of poverty - Pressure of other basic goods - Loss of livelihoods - Assets - Seasonality - Vulnerability - Access to functioning markets 	<ul style="list-style-type: none"> - Registration - Documentation for building and repairs - Documentation for land and property - Documentation for services - Risk of eviction

Category	Vulnerability items to consider in beneficiary targeting
Displaced persons	<ul style="list-style-type: none"> • Resources: savings, assets, or even possessions (so-called dead capital) • Access to income • Access to any form of assistance • Access to documentation or registration • Registration status • Requirement of medial or institutional care

¹⁵ [Global Shelter Cluster CASH BASED PROGRAMMES FOR SHELTER AND NFI - IMPLICATIONS UPON SHELTER CLUSTER INFORMATION MANAGEMENT SERVICES](#)

	<ul style="list-style-type: none"> • Exposure to traumatic events or human rights violations • Risk of eviction
Persons living along the contact line)	<ul style="list-style-type: none"> • Access to humanitarian assistance • Exposure to traumatic events including shelling • Risk that further harm could be done if not assessing all risks in current environment • Gender and age (different risks exist for specific groups in contact line communities) • Residing in institutions (disaggregated by age and situation: children, older persons, disabled)
People in NGCA areas, buffer zone, or former buffer zone	<ul style="list-style-type: none"> • Risk of additional economic hardship (do they have access to farmland, have they lost a job/source of income?) • Access to humanitarian assistance • Level of isolation of village • Level of familial ties – have family members been detained or missing • Residing in institutions and have been cut off from services and staff payments • Gender and age • Issues with documentation for housing, land, and property • Risk of eviction
Women and girls	<ul style="list-style-type: none"> • Gender-related risks- trafficking, harmful survival mechanisms such as survival sex • Single head of families • Widows, particularly those who have lost husbands due to death during conflict • Unaccompanied girls • Women who are survivors of violence • Pregnant and lactating women
People with socio-economic hardship	<ul style="list-style-type: none"> • Working age unemployed people with 0-2 children receiving neither benefits nor humanitarian aid • Main breadwinner killed, injured, or disabled • Livelihoods suffered: farmland impacted with explosive remnants of war (ERW), closure or suspension of operations for factory workers • Persons living in sub-standard accommodation which could trigger displacement and other risks • Role of gender in their hardships
Persons with chronic illness and serious medical conditions (including mental health issues)	<ul style="list-style-type: none"> • Whether continuous access to medication exists (especially for chronically ill persons in NGCA) • Access to state support (whether they have medication free of charge) • Whether the individual requires targeted assistance for survival • Whether specific diet is required for condition & whether they are able to practice that diet given circumstances of crisis • Gender's role in access to medication and support

Members of minority groups	<ul style="list-style-type: none"> • Access to documents or registration • Whether the individual has been refused access to services due to his/her minority status • Whether person has been treated by untreatable medical condition (TB, HIV) • Whether gender plays a role in deepening their exposure to discrimination
Persons with disabilities or injuries	<ul style="list-style-type: none"> • Exposure to discrimination • Whether disability is linked to injuries caused by conflict • Whether disability/injury impacts daily life and independent movements • Access to assistance to help disabled/injured person with daily aspects of life • Access to special services (medical, rehabilitation, etc.) • Whether person is main breadwinner and subsequent impact on household • If injured person is untreated, could injury lead to disability? • Impact of gender on access to services or movement
Children	<ul style="list-style-type: none"> • Unaccompanied minors, orphans, and children separated from parents • Children in state care institutions (particularly in NGCA) • Risk of child abandonment or institutionalization (could be in case of large families, poor families, children with disabilities, and new-borns) • Students from NGCA having moved to GCA to study (particularly those between 16-18 years of age) • Displaced children who do not qualify to register as IDPs because they are not with their legal guardians • Adolescents at risk of trafficking, recruitment, or associations with armed groups due to socio-economic hardship or family situation • Children with disabilities • Children living in crowded spaces (collective centres, host families) may be more at risk of domestic violence
Older Persons	<ul style="list-style-type: none"> • Access to support to assist with daily life • Access to pension entitlements especially for those residing in NGCA • Existence of a medical condition that may require additional support • Whether person is responsible for dependents (minor children or adult dependents with disabilities/serious medical condition) • Role of gender on impacting their activities, participation, and access to services

Humanitarian intervention and Government Responsibility

Humanitarian interventions especially with cash require Shelter and NFI partners to be aware of the social protection system in place in Ukraine. Naturally, the humanitarian response activities are in place to accelerate the means by which a person impacted by conflict may receive assistance. The Ukrainian government continues to face a **trilateral challenge towards policy provision of adequate housing**: lack of supply, a limited policy framework for social housing, and limited household income, which is exacerbated by the significant informal wage economy that prevails across the country.¹⁶ Nevertheless, the need to **avoid the creation of dependency on humanitarian aid** and to **promote accountability to the policy infrastructure** that already exists in Ukraine is also something to which shelter and NFI actors must be aware. While taking account for protection, shelter, material, tenure, access, and other factors for humanitarian shelter and NFI assistance, one should also consider the area where humanitarian interventions end and Ukraine's social protection system begins.

Overview of housing subsidies and working legislation in GCA¹⁷

1. **Housing and Utility Subsidy** (Implementation ongoing)- The subsidy is administered according to a formula of household income and expense spent on housing and utility expenditures. The subsidy is administered at the State Level through the Department of Social Protection. While Ukraine is implementing energy reform, the national amount of coverage for this subsidy has increased since 2014.¹⁸ However, the program has failed to reach more than 50% of the two lowest economic segments of the population, while 26% of people are unaware about their eligibility for such support, 35% do not know about the process, and 64% do not know about the subsidy for calculation for the subsidy support.¹⁹
2. **Law on Social Housing** (obstacles in implementation due to conflict dynamics)- Article 2 of this law provides that citizens of Ukraine are to be provided social housing free of charge²⁰, however due to the poor state of much of Ukrainian communal infrastructure, budget limitations, and the lack of mortgage financing, limiting the expansion of rental housing.²¹ Moreover, many stipulations in this legislation are arduous for internally displaced persons such as value of damage to property and documentation for ownership of area of origin home.
3. **State Youth Housing Fund** (most of activity suspended, with limited funding possible for 2017²²)- This program presented 21% of the national budget's spending

¹⁶ http://www.sheltercluster.org/sites/default/files/docs/article_special_shelter_humanitarian_bulletin_revision.pdf

¹⁷ While the Shelter/NFI Cluster in Ukraine is aware of heating and utility support provided by the local authorities in NGCA (covered in the Winterization Guidelines) this current guideline will focus on GCA.

¹⁸ The number of people enrolled for such subsidies has tripled since the calculation for the subsidy was revised in 2014. Nevertheless since July 2016 [with the doubling of central heating and water supply tariffs](#), the individual consumer is more acutely aware of the pressure that heating poses to income expenditures.

¹⁹ World Bank Group Energy Sector Management Assistance Program [Ukraine Energy Tariffs and Subsidies 2014-2017](#)

²⁰ [Council of Europe](#)

²¹ [USAID and FHI 360](#)

²² <http://www.unian.info/economics/1722786-only-164-of-budget-for-affordable-housing-in-ukraine-to-be-available-in-2017.html>

on housing and construction as of 2013 targeting mostly young families and singles below 35 years of age, which spanned the following programs, Affordable Housing, Subsidized Mortgages for Youth, and “Your own Housing.”²³ Many of the programs supported through this fund were designed to target the 1.39 million people that were found on a list to receive improved social housing in 2013. The affordable housing program sought to provide beneficiaries with 30% compensation for the purchasing price of the apartment, but due to macroeconomic volatility and the fact that the program capped purchases at a certain price, beneficiaries of the program were receiving only 10% compensation for the price of apartments. The mortgage program has become obsolete for today’s capital market interest rates.²⁴

4. **“Your Own Housing” program (Resolution 1597)**- This program provides families in rural areas preferential loans at a rate of 3% per annum.²⁵ Since February 2016, this program has been available to internally displaced persons needing to repair or purchase housing. Nevertheless, similar to other legislation the prices have been capped at 300,000 UAH for the construction of a new house, 200,000 UAH for the purchase of a new house, 150,000 UAH for reconstruction/completion of construction, and 50,000 UAH for construction of utilities and connection to existing utility repairs.²⁶ The capping of prices could pose challenges in an economy that continues to experience volatility.
5. **Law on Ensuring Rights and Freedoms of internally displaced persons**- The law provides a stipulation that local state administrations should upon the referral from local authorities, associations, charitable organizations, and other legal entities and individuals provide short term housing and stay for the internally displaced depending on the condition of the infrastructure and environment. This legislation also provides that local authorities are responsible for providing “suitable housing for accommodation from communal property”²⁷, while the internally displaced person would have the responsibility of paying for utilities.

²³ [UNECE Country Profiles: Ukraine](#)

²⁴ [USAID and FHI 360](#)

²⁵ Housing Finance in Ukraine: a long way to go
[http://www.idss.org.ua/monografii/IUHF%20journal%20Autumn%202014\(2\)-2.pdf](http://www.idss.org.ua/monografii/IUHF%20journal%20Autumn%202014(2)-2.pdf)

²⁶ NRC [Voices from the East: Challenges in Registration, Documentation, Property and Housing Rights of People affected by Conflict in Eastern Ukraine](#)

²⁷ [Council of Europe](#)

Corruption and Anti-Fraud

Ukraine continues to attempt to tackle corruption, which has been endemic to both its public and private spheres.²⁸ The World Bank has identified that social protection systems can have vulnerabilities to corruption and fraud.²⁹ As illustrated by Figure 1, these vulnerabilities can include unintentional errors and intentional fraud and corruption. Humanitarian assistance especially in Ukraine's housing finance sector is vulnerable to similar liabilities.

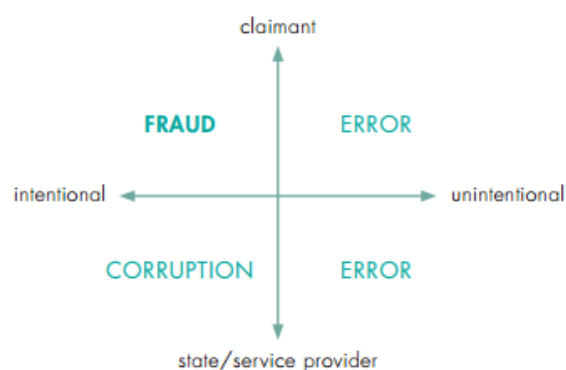


Figure 1- Rand Europe Picture from http://www.rand.org/content/dam/rand/pubs/corporate_pubs/CP800/CP806/RAND_CP806.pdf

When deciding to implement cash transfers or providing humanitarian assistance, the utmost consideration should be made to ensure that the program is free from corruption and fraud.

There are several steps to implement to ensure that programs are free from corruption:

1. **Careful targeting of beneficiaries and the project goals from** pre-project stage (informed by pre-project assessments)- This is linked not only with collecting all necessary information and resources for the implementation of projects but also analysis and use of the same.
2. **Transparency**-Throughout the program implementation cycle, it is important to ensure that the implementing agency provides information to the communities (municipality authorities, host community, beneficiaries, those who provided information for assessments, etc.) about their beneficiary criteria. Moreover, implementing agencies should be clear about what their assistance aims to achieve and what it cannot achieve.
3. **Communication**- Related with transparency is the need to communicate clearly with stakeholders (primary and secondary) about the activities.
4. **Accountability**- As many cash and shelter projects have the main aim of facilitating an owner-driven approach, the project should include opportunities for beneficiaries to be involved in the project design and to provide feedback to the results and implementation of the project.

Fraud and corruption within the humanitarian sector became a concern due to several investigations conducted by ECHO and USAID related with the Syrian Humanitarian Response. While many NGOs adapt standard guidelines into their own agency policies, some publically available material on anti-fraud and corruption are found below in the hyperlinks:

- [DG ECHO](#)
- [USAID Office for Inspector General](#)
- [United Nations Anti-Fraud and Anti-Corruption Framework](#)

²⁸ <https://www.transparency.org/cpi2015/> and <http://www.doingbusiness.org/data/exploreeconomies/ukraine>

²⁹ <http://siteresources.worldbank.org/SOCIALPROTECTION/Resources/SP-Discussion-papers/Safety-Nets-DP/1002.pdf>