



## **Making Cash for Shelter work in Ukraine**

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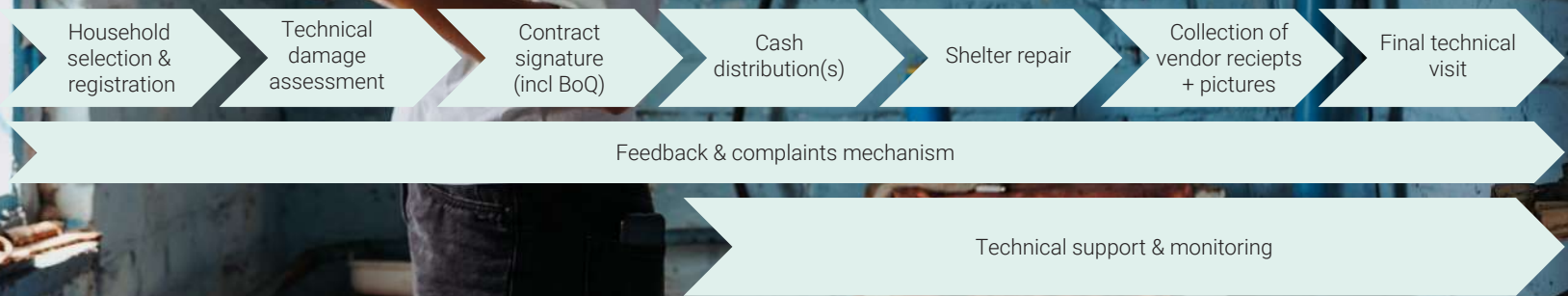
## ZOA Ukraine

In Ukraine, ZOA improves the living conditions of severely affected IDPs host populations through shelter, multi-purpose cash and livelihoods interventions. ZOA's area of operation in Ukraine are the de-occupied territories in Kherson, Mykolaiv, Chernihiv and Zakarpattia oblast. ZOA continues to expand its reach within Ukraine based on need, accessibility and added value.

## Background

Since February 2022, the Russian invasion is causing massive destruction of houses and infrastructure in various parts on the frontline in Ukraine. To cover most urgent shelter needs, ZOA uses an integrated approach of both material and technical support. Wherever assessed feasible, cash assistance is used to appropriately provide material support. This approach is used successfully in newly accessible parts of Kherson oblast and Chernihiv oblast. Speed, complementarity, efficiency and effectiveness are core strengths of ZOA's people-centered cash for shelter approach. Besides, local markets and resources are used to achieve more impact.

# Our Approach



1) **Selection of houses and registration** is done together with the local authorities and other humanitarian partners, using approved targeting criteria, and preferably, a community-based targeting.

2) In-depth **technical assessments** are completed for all selected households.

3) Based on this assessment, **a contract** is signed including technical information like a BoQ/cost estimate how to spend the cash. This 'labelling' of cash ensures that households use cash for shelter purposes.

4) **Cash is distributed digitally** and people can start their house repair. The total transfer value varies case-by-case (for light and medium repairs between €500 and €6,000), and is determined by the technical assessment of each house. Cash is mostly disbursed one-off to ensure timely repair. Only in cases of total amounts larger than €2,000, is cash made conditional and distributed in two instalments based on progress milestones.

5) Once cash is collected, **houses are repaired**. In the repair process, approximately 10% of contracts are amended to adjust to changing circumstances and allow for

effective use of their cash. People mostly buy their materials in local shops and use local 'brigades' for repair and installation labor.

6) To ensure expenditure on shelter items, households **provide receipts** to ZOA and **send pictures** of the items once repaired or installed.

7) **A final technical visit** is made by ZOA to evaluate shelter repairs, verify receipts and pictures and allow for final feedback or follow-up.

Throughout the project cycle, additional **technical support and monitoring** is provided to support households in the shelter repair activities.

Throughout the project cycle, **monitoring, feedback and complaints** activities are integrated. Based on this, tailor-made solutions are found or adjustments are made to ensure assistance is delivered in a people centered way.



## Digitalisation

ZOA already successfully provides multi-purpose cash in other areas in Ukraine using Red Rose's digital platform and Money Gram/IBAN solution. Red Rose is also used to deliver cash for shelter purposes. People receive digital transfers in their bank account (IBAN) or collect physical cash at one of the thousands of Money Gram agents, making the solution safe and accessible to the target population. Additionally, the use of the digital platform allows for quick and secure delivery of cash to high numbers of households, which is key in this context. Data is securely managed in the system from registration until project closure, including all cash distributions.

# Key benefits : cash for shelter approach

## Quick delivery with reduced risk of procurement delays

A digitalized approach and shorter supply chain (compared to in-kind delivery) are ideal for a quick delivery of shelter support within a few days. This is essential in the Ukrainian context with its cold winters. Because persons are buying shelter items from a variety of shops, cash for shelter also reduces the risk of major procurement and commonly found supply chain delays in case of more centralized procurement.

## Value for Money

Targeted households indicate that they get high quality products for the best price, often bought in nearby, small retail shops. Compared to in-kind delivery, cash is estimated to be considerably cheaper, with savings of 82% for medium and 38% cheaper for light repairs. For example, roof materials were bought 92% cheaper compared to large scale in-kind procurement through contractors. In Chernihiv, local shops are cheaper than larger construction stores offering similar items.

## Flexibility to meet specific and changing shelter needs

In a changing context, with different (humanitarian) actors providing shelter and other essential support, project evaluation shows that cash allows for a complementary approach. Each household wants to repair their home in a different way using multiple sources, of assistance, making cash an ideal modality allowing for more flexibility and effectiveness.

## 'Localized' approach

Cash puts the households themselves in the driving seat, shifting power to household level. The majority of the households used local 'brigades' (consisting of appr. 3-7 local handymen) to repair their homes or install shelter items. Additionally, the local authorities are directly involved in the selection process and people are using local retailers to repair their homes.

# Key lessons learned

## ZOA learned various lessons in the Ukrainian context, which are already being applied in new shelter projects:

Where assessed appropriate, **use labelled cash or conditional cash** as the main modality to deliver shelter resource support. This is proven an effective and efficient modality, giving value for money and flexibility to winterize shelter in a complex and changing setting. Conditionality of cash transfers is expected to further improve effectiveness of larger cash for shelter grants.

**Keep using the multifunctional Red Rose delivery mechanism using Money Gram agents and digital IBAN transfers.** This is evaluated a safe, accessible and efficient way to distribute cash with no significant delays and is functional in most hard-to-reach areas, including Kherson. Besides, it offers both digital and physical cash delivery options in the whole country through the same delivery mechanism, reducing protection related risks.

Further **strengthen technical support** to households by additional technical monitoring visits and information provision. Female-headed households especially valued the in-depth technical assessment and prefer to also receive practical technical support during shelter repairs. Activities like physical monitoring visits by staff and/or engineers and additional progress check-ups help to strengthen the approach and ensure quality during repairs. It is recommended to use a form to approve and evaluate the shelter repair by the end of the project through visits.

Consider the **integration of a market based programming component** to ensure timely access to the **local labor market** for female-headed households. It was found that women especially face barriers to contract labor for various reasons. A market based solution helps to overcome this barrier.

Consider the **use of more flexible contracts or a system for rapid change management** to allow for additional flexibility for households to adjust to changes during the project period. The integration of a BoQ is evaluated positively and contributes to achieve shelter objectives, but also limits or delays households in case of necessary changes.

**Take seasonality into account throughout the project cycle** to allow households to finish construction work, especially roof repairs, in time. Shelter activities should be finished before the start of winter in October.

Consider the **integration of a community-based approach** in current targeting strategy. The current coordinated approach was evaluated effective and accepted by the communities; however, households recommend to additionally use a committee of active community members to further reduce inclusion / exclusion errors and increase quality assistance.





# Case study

## Cash for Shelter in Chernihiv

Location	Chernihiv Oblast
Disaster date	February 2022
Timeline	01/07/2022 – 31/12/2022
Target population	849 households
Modality	'Labelled' cash through MoneyGram agents and bank transfers
Value of cash grant	Varied: between €500 – €6,000
Project budget	€1,601,000

### Local context

On 24th of February 2022, Russia invaded Ukraine from the north in an attempt to seize control over Kyiv, Ukraine's capital city. During the six week's invasion by Russia, a majority of settlements in Chernihiv Oblast were severely affected by the conflict. 8,535 houses in the area were damaged and 1,200 houses were completely destroyed. Meanwhile, a cold winter without appropriate shelter was looming for many households. Despite the lack of appropriate housing and other needs, 85% of the population remained in Chernihiv.

### Needs & modality selection

Identified as the priority need in target locations in Chernihiv Oblast, ZOA started a Cash for Shelter project to provide winterized shelter support to 849 affected households through repairs of light or medium damaged houses. This was done in close coordination with local authorities and other humanitarian organizations.

Despite severe levels of destruction in the oblast, the local shelter market re-established itself rapidly. Construction materials like windows, doors and roof items were accessible at acceptable prices, although 20% price inflation was observed similar to price increases in the whole country. Additionally, households in need of shelter support preferred to receive cash over in-kind materials to repair their homes. As this allowed them flexibility to buy what they wanted, when they wanted. Therefore, cash was preferred over in-kind. Therefore, cash was assessed the most efficient and effective modality to provide urgent shelter assistance.



## Activities

The activities as described in the 'approach' section were implemented in Chernihiv.

## Impact

Making use of local markets and capacity, a total of **849 houses** (permanent shelter) were repaired or reconstructed. As a result, by the end of the project, 849 households in urgent need of shelter support in Chernihiv resided in safe and secure housing again.

ZOA's efficient approach using cash modality allowed for more impact on the local communities by targeting considerably more households than originally planned (original target: 300). An estimated **75% of the cash was spent directly on shelter objectives** before winter, with households saving the remaining amount to do final repairs, such as roof repairs, in spring/summer 2023.

By using cash modality, local small-scale retailers benefited significantly from the project. The majority of households decided to buy from small-scale 'around-the-corner shops', because of their better value for money compared to larger construction shops. The quality of items was evaluated as acceptable, improving longevity and sustainability of the houses. Besides the 'practical' shelter support, most of the households experienced a psychological effect as well. The provision of cash for shelter was a tool to start their 'normal' lives again, by rebuilding their own homes the way they envision it. In that way, the project contributed significantly to the recovery of their lives.



## Post Distribution Monitoring results

- 93% of households said they have received enough cash to buy all shelter materials listed in BoQ and complete shelter repair
- 92% felt completely safe receiving and spending cash
- 93% are (very) satisfied with the cash for shelter process
- 95% had acceptable living conditions for the winter
- 97% said the project was delivered in a safe, accessible, accountable and participatory manner
- Hardly any conflict was caused within the household (1%) or community (2%) by the project
- SMS (47%), project staff (28%) and social media (24%) were the most used feedback channels
- 1,200 feedback items were received and closed during the project



**We are here**

Ukraine