

Technical Working Group (TWIG) on Shelter & NFIs monetisation

RECOMMENDATIONS ON CASH FOR RENT ACTIVITIES IN UKRAINE

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1. Background

18 months after the onset of the crisis in Ukraine, the pattern of displacement of IDPs becomes more precise and reveals now specific characteristics of a protracted crisis. This has led the Shelter Cluster to refine its approach related to monetisation of assistance, with introduction of specific activities.

Based on previous international experience and especially the Syrian refugee response in Jordan¹, targeted and sector-specific cash interventions such as cash for rent become a more appropriate tool of assistance than unconditional multifunctional or multifunctional cash to help meet specific household need, especially in a protracted crisis context. The present document aims to detail objectives, targeting criteria, transfer amount, monitoring strategy and outreach for cash for rent activity.

Further, with displacement of population of concern becoming protracted, risk of eviction and also pendulum effect of IDPs coming back and using Collective Centers as a last resort begin to be a concern.

The present document is a compilation of three sessions of the TWIG Shelter & NFI Monetisation held on 29 May, 18 June and 10 July 2015 in presence of the representatives and experts of the following organisations:

Shelter/NFI Cluster Coordinator

Protection Cluster Coordinator

UNHCR CO: UNHCR Cash Expert in charge of UNHCR Cash projects

UNHCR FO: UNHCR Field Officer participating to Cash project monitoring

UNOCHA Cash Coordinator: UNOCHA Cash coordinator representing the Cash technical working group

ADRA PM: NGO Project Manager

IOM PC: IOM program coordinator in charge of IOM cash for rent program

PCPM Head of Mission: PCPM Head of Mission in charge of PCPM cash for rent program (on-going)

DRC Head of Program: Head of Program in charge of cash for rent activities (on-going)

Save the Children PDQM: SCI Program Development and Quality Manager

Ukrainian Red Cross Society: observer

Luxembourg Red Cross Society: observer

¹ Shelter Working Group Jordan (September 2014), Guidelines for Conditional Cash-for-Rent Assistance for Syrian Refugees in Jordan www.data.unhcr.org/syrianrefugees/download.php?id=7040

2. Objectives

General objective (linked with Strategic Objective 1 of the Shelter/NFI Cluster Strategy):
Most vulnerable people affected by the conflict living in governmental and non-governmental controlled areas have access to adequate shelter solutions and assistance.

Specific objectives:

- a. Ensure access to adequate shelter (up to standards) for extremely vulnerable individuals and protection cases facing challenges with accommodation;
- b. Assist in decommissioning Collective Centres for specific and not assisted caseload;
- c. Mitigate the growing threats of eviction linked to exhaustion of IDPs resource;
- d. Support IDPs through transitional cash for rent measure in securing sustainability.

3. Duration of the activities

6 to 12 months

4. Targeting criteria

Categories	Explanation	
Status of beneficiaries	Registered / unregistered internally displaced persons	
Area	Government controlled areas	
Shelter conditions taken into account	Access to running water	Insufficient access to running water inside the accommodation ²
	Access to hot water	Insufficient access to hot water inside the accommodation
	# of families sharing a toilet/shower	More than two families sharing a toilet/shower
	Insulation	Accommodation insufficiently insulated for winter
	Waterproofing	Accommodation insufficiently waterproof for heavy rain/winter, no roof leakage
	Heating system	Heating system not functioning, not ready for winter [critical]
	Occupancy ratio	More than 2 people per room (sleeping + living room to be considered) could be considered as over-occupancy concern leading to serious privacy concern:

² Ideally should be quantifiable indicator based on quantity, quality, reliability. If # litres per person per day is not possible to measure, assessment should be on reliability of access to water / hot water. E.g. safe water always available / available at predictable restricted times / available at unreliable restricted times / unavailable.

		<ul style="list-style-type: none"> - 1 room for 1, 2 persons; - 2 rooms for 3, 4 persons; - 3 rooms for 5 to 6 persons. <p>[critical]</p>
Protection criteria taken into account	Detailed protection based criteria to be developed in close cooperation with Protection Cluster in August 2015. General Shelter/NFI Cluster vulnerability criteria are available as Annex to this document.	
	<p>Other important protection considerations:</p> <ul style="list-style-type: none"> - Threat of eviction; - Decommissioning of a Collective Center; - Lack of privacy (defined by over-occupancy or other conditions) etc. 	

5. Transfer amount

Given calculation of cash for rent amount is a complex process and requires taking account of many different factors, the following were used as variable factors for the recommended cash grant amounts:

- Location (area where intervention takes place – rent prices differ from area to area);
- Family size, which defines necessary dwelling size (number of family members defines minimum number of room in the accommodation).

The recommended amounts for rental assistance are based on the reported amounts paid for rental of housing of an adequate standard by IDP respondents to the Shelter Cluster/REACH Shelter Assessment (July 2015), corroborated by Shelter Cluster partners' understanding of rental market prices within the proposed areas of intervention. In urban areas, recommended rates are tiered based on the number of rooms in a dwelling, aligned with the reported rental prices. In rural areas, recommended rates are fixed, based on the findings of the REACH assessment suggesting that there is little variation for rural rental prices based on number of rooms.

It is recommended that either 50% or 100% of rent is covered, based on vulnerability. Only rental costs are used for this calculation. For utilities, government subsidies are available for families meeting certain criteria; should families remain unable to meet utility price payments, the regular monitoring of beneficiary households will allow referral into other types of assistance where available.

% of rent to be covered	Conditions
Up to 100%	Extreme protection based cases ³
50%	Typical vulnerability of households with the possibility to achieve greater self-reliance within 6-12 months as a direct impact of cash for rent assistance

³ Finalisation of criteria in consultation with the Protection Cluster pending

The following table summarises recommended rates, based on the variables above.

		RURAL environment			
		FLAT RATE for rural districts			
RURAL districts	100% rate	1100			
	50% rate	550 (50% rate)			
		URBAN environment			
		1 room (1-2 p.)	2 room (3-4 p.)	3 room (5-6)	4 room (7-8)
URBAN other cities⁴	100% rate	1160	1450	1810	2080
	50% rate	580	725	905	1,040
Specific cities					
Berdiansk/Mariupol	100% rate	1800	2250	2810	3230
	50% rate	900	1,125	1,405	1,615
Dnipropetrovsk	100% rate	2590	3240	4050	4660
	50% rate	1,295	1,620	2,025	2,330
Kharkiv	100% rate	2190	2740	3430	3950
	50% rate	1,095	1,370	1,715	1,975
Pavlohrad	100% rate	1900	2375	2970	3420
	50% rate	950	1,188	1,485	1,710
Zaporizhia	100% rate	1700	2130	2660	3060
	50% rate	850	1,065	1,330	1,530

Average amount for budgeting purposes

For project budgeting purposes, before program start and beneficiary selection, the following average rent cost breakdown – here broken down into indicative ‘low’, ‘medium’, and ‘high’ grants for ease of illustration – could orient the project cost calculation⁴:

Average	Amount	Calculation
Lowest	550 UAH per HH / month	Based on rural rate without special extreme vulnerability.
Medium	1,100 UAH per HH/month	Based on unspecified cities rate, calculated using a family ratio between 3 to 5 members (25%, 75%) and also including 25% extreme vulnerability families applying to full rate.
Highest	3,400 UAH per HH / month	Based on Dnepropetrovsk city price, calculated using a family ratio between 3 to 5 members (25%, 75%) and also including 25% extreme vulnerability families applying to full rate.

For shelter agencies preparing project proposals for cash for rent programmes, a simple way to calculate the budget is by identifying the % of each type of intervention (lowest, medium, highest) they intend to achieve. The breakdown into low/medium/high rental costs is included here for ease of conceptualisation, based on the recommended grant amounts above.

⁴ Direct costs of cash transfer only, excluding indirect/support costs of the implementing organisation

Example: for a program of 500HH to be assisted with cash for rent the initial breakdown is 50% low, 30% medium, 20 % high, meaning 250 HH low at average 550 UAH, 150 HH medium at average 1,100 UAH , 100 HH high at average 3,400 UAH. The theoretical monthly disbursement shall be 642,500 UAH, equivalent to 1,285 per HH per month overall average. During the selection procedure % could be corrected in order to keep the overall average.

6. Recommended conditionalities

In addition to selection based on targeting criteria outlined above, the recommended conditionalities on beneficiary families to receive this assistance are as follows:

- Willing to enter into a tripartite agreement between landlord, household and implementing organisation, detailing the assistance (see section 7)
- Be monitored every two months to ensure the family is still living in the same place (see section 8)

7. Supporting documentation

In Ukraine most lease arrangements in the private rental sector take place without formal lease agreement⁵; only 12.6% of respondents to the REACH/Shelter Cluster Assessment in the five Eastern regions report having lease agreements⁶. Therefore, a formal lease agreement with the owner cannot be requested as a supporting document.

In place of this, it is recommended that a tripartite agreement between landlord, beneficiary household, and implementing organisation (or similar agreement) is signed, detailing the conditions of the assistance, including the provision of monthly payments, and ceasing of payments if beneficiaries do not adhere to the requirements of the assistance or misuse the funds.

8. Monitoring strategy

It is recommended to undertake at least one home visit⁷ per household every two months to monitor shelter conditions and protection risks, which constitutes a condition for the prolongation of a family's participation in the program. Special attention should be paid to the protection component of the visit and monitoring of shelter and protection concerns as identified in targeting criteria table (checklist of minimum to be verified in during the visit is in Annex). In specific cases (if the household moves to a new accommodation or there are specific risks) a monitoring visit should take place monthly.

Program may be stopped if beneficiaries do not comply with the rules and requirements in each individual case as a result of home visit. Additional home visits, e.g. on a monthly basis, could be undertaken if beneficiaries are deemed to be misusing funds.

During monitoring visits monitors can conduct consultations on future shelter arrangements for beneficiaries and advise on self-sustainability. Furthermore, an outcome of the monitoring

⁵ Country Profiles on Housing and Land Management: Ukraine (English and Russian) (December 2013) -0 United Nations Economic Commission for Europe. Available at: http://www.unece.org/fileadmin/DAM/hlm/documents/Publications/CP_Ukraine_ECE.HPB.176.en.pdf

⁶ Note: these are preliminary results. Final report to be published after 25 July 2015.

⁷ It was reported that one team can conduct 9-10 home visits a day on average.

visits should be referral of beneficiary families into other assistance programs as deemed necessary and available – including, for example, programs designed to support families’ access to fuel/heating over the winter period.

9. Outreach

Outreach to beneficiaries and identification of possible caseload for the program is recommended to take place in following ways:

Existing caseload:
(from previous/ongoing multifunctional assistance)

1) Screening of beneficiaries that have received multipurpose assistance before, on the basis of vulnerability criteria and trigger conditions (see in Annex sample additional questionnaire for identification from multipurpose grant caseload): consideration for the cash for rent program is based on % reported rent expenses (threshold 75% rent, or in specific individual cases identified rental vulnerability if other one-off expenditures have been prioritized in multipurpose grants meaning 75% threshold not met), and living conditions aligned with vulnerabilities of the household;

2) Through hotline established for cash program follow-up: screen potential beneficiaries through a prism of protection risks and as above: rent expenses.

New caseload:

- 1) Protection monitoring (risk of eviction, potential decommissioning of Collective Centers);
- 2) MoSP referrals;
- 3) NGO referrals;
- 4) Hotline referrals

10. Exit Strategy

Targeting two different populations of concern, the Cash for Rent tool includes two different exit strategies:

- For decommissioning Collective Centers or mitigating eviction threats, the exit strategy relies on the stabilization of the financial and living conditions of the population of concern, supporting household coping mechanisms and self-sufficiency. In this scenario, advocacy to refer the families to livelihood, skill training or microcredit is recommended in order to facilitate beneficiaries’ resumption of a normal life.
- For protection-triggered caseload, the approach is significantly different due to the fact that as a transitional option the cash for rent tool ensures the continuity of assistance for a population stranded in displacement. In case of integration the government of Ukraine will probably have to increase the priority for existing social housing program and specialized institution capacity which will be completed on a mid-term perspective. A frozen or declining conflict situation could also lead to a gradual return and part of this case load will likely be able to resume to their place of origin.

11. List of Annexes

1. [Minutes of the first TWIG meeting of 29 May 2015](#)
2. [Minutes of the first TWIG meeting of 18 June 2015](#)
3. [Minutes of the first TWIG meeting of 17 July 2015](#)
4. [Map of recommended rent amount per district/city](#)
5. [Shelter/NFI Cluster vulnerability criteria](#)
6. [Sample questionnaire for screening multipurpose grants receivers lists](#)
7. [Checklist to verify during home visit](#)

Annex 6. Sample questionnaire for screening multipurpose grants receivers lists

1. Do you have sufficient access to running water?

Yes/No

2. Do you have sufficient access to hot water?

Yes/No

3. Do you have a shared toilet/shower?

Yes/No

If YES: How many people share the same toilet?

If YES: How many people share the same shower?

4. Is your accommodation insulated sufficiently for winter?

Yes/No

5. Do you have a heating system functioning in your accommodation?

Yes/No

6. How many rooms do you have in your accommodation?

Number

7. How many people live there in the same apartment/house?

Number

8. Did you look for other options for housing, given this one has not the best conditions?

Yes/No

9. Why did not you choose them? What was the reason?

Open question

Questions in **bold** are recommended as mandatory. If a person has poor shelter conditions and did make an effort to seek other options, but lacks financial resources and compared with general vulnerability – could qualify for cash for rent program.

Annex 7. Checklist to verify during home visit

- ✓ Access to running water
- ✓ Access to hot water
- ✓ # of families sharing a toilet/shower
- ✓ Insulation
- ✓ Waterproofing
- ✓ Heating system
- ✓ Occupancy ratio
- ✓ Household sources of income
- ✓ Relations with landlord
- ✓ Regularity of utility bills / rent payments
- ✓ Vulnerability specific for a particular family issues (medical assistance, children at school etc)