

UKRAINE RED CROSS CASH TRANSFER CASE STUDY

CONTEXT

A strong storm with gusts of wind ranging from 15 to 20 meters per second and torrential rains hit 14 regions of Ukraine, or 56 per cent of the state territory, from 22 to 24 July 2007. The assessment carried out by the governmental Emergency Committee and the Ukrainian Red Cross's disaster response team (DRT) identified Volyn region in the north-west of the country as being the most affected by the disaster. In its seven districts 1,827 houses and households in 176 settlements were severely damaged (181 houses were totally destroyed). Food stores and infrastructure, such as telephone and electric lines were cut. Also, 295 hectares of forest were uprooted and a further 4,500 hectares were partially damaged. Agricultural areas suffered heavy damage with 9,200 hectares of crops hit by the storm, out of which 3,800 hectares were lost. Seventeen people were injured, five of them hospitalized, by flying debris such as uprooted trees or parts of roofs. Totally, in the Volyn region 6,268 people including 156 elderly, 232 multi-child families and 1,183 low-income families were directly affected by the disaster. The overall damage to the region is estimated at 2.5-5 million Swiss francs.

SITUATION ANALYSIS

The needs assessment carried out by the Red Cross identified 72 rural settlements in the five most affected districts of Volyn region as target areas for the emergency relief operation. The National Society decided to concentrate its efforts on providing assistance to the most vulnerable groups affected by the storm: the elderly, people with disabilities, low income and multi-child families.

The Red Cross made visits to the house of the vulnerable family in order to perform a detailed needs assessment and complete a personal questionnaire. The questionnaire inquired about the assistance already provided, the current needs and the affected persons' personal capabilities (21 questions). Needs which could be met by cash assistance were identified together with the beneficiaries.

RESPONSE ANALYSIS

Two months after the storm, all families were able to return to their houses. In addition, the government of Ukraine paid compensation to each affected family, depending on the extent of the damage sustained. Even though building materials (sand, cement and roof slate) were provided by the government in order to restore the exterior of the damaged houses, all interior repairs were left to the families themselves.

RATIONALE FOR CHOOSING RESPONSE

In addition to the goods distribution, the Ukrainian Red Cross decided to provide financial subsidies in the form of cash grants. This is the first time such an initiative has been undertaken in the Europe zone of the International Federation as an emergency relief component. It was planned that the cash grants would facilitate restoration work in the homes of the affected people, who were not able to do it by their own means because of their physical condition or the lack of finances to pay the workers.

Target groups for cash distribution were chosen according to the following criteria:

- those whose houses were not fully destroyed, but in need of considerable repair
- those already being assisted by the Ukrainian Red Cross prior to the disaster
- those having additional needs not covered by the Red Cross operation or government relief
- those not having any support from relatives, friends or neighbours

PROGRAMME SUMMARY

The cash distribution component of the operation made up around a third of the overall allocation to the beneficiaries. It should be noted that elderly people living alone, while receiving financial assistance, were provided with individual social support from special *public guardians* selected from among members of the Ukrainian Red Cross's local branches, social security workers or community members.

Candidates had to be approved by the beneficiaries. The task of the public guardians was to assist beneficiaries in assessing the necessary restoration work to be done, purchasing construction materials, hiring workers and controlling the quality of the restoration work.

OBJECTIVES OF CASH PROGRAMME

1. To assist the most vulnerable people in the affected areas by providing necessary survival conditions for the affected families and individuals through:

- the distribution of blankets, bed linen, mattresses, hygiene parcels, basins and buckets
- cash distribution for 45 families

2. To pilot mechanisms for the distribution of cash as a response to natural disasters focusing on the design and learning of best practice approaches to selection, distribution and monitoring, through:

- the establishment of distribution mechanisms
- the design of monitoring questionnaires to track the usage of funds and analyse lessons learned

PRACTICAL ISSUES

The delivery of goods and cash grants to the remote settlements and households was complicated due to poor public transport connections. The problem was solved thanks to the effective partnership with local authorities and medical institutions that provided the Ukrainian Red Cross members with their own means of transport.

The procedure of cash distribution was carried out by the finance manager of the local Red Cross branch. In order to provide the necessary security conditions and control of the distribution the finance manager was accompanied by the local Red Cross chairman, a representative from the local government and a local security officer when visiting the homes of the beneficiaries. The confirmation of the receipt of cash followed the same procedure as the one used for goods distribution (receipt with signature, address and passport details). In order to avoid inappropriate spending of the grants, the money distributed to families was given to the mothers as traditionally it was felt they can best identify the needs of the household.

MONITORING SYSTEM

After the cash distribution a monitoring system was set up to track how the financial assistance was used by the recipients. Several visits to the households of beneficiaries demonstrated that cash grants were used according to their initial plans and improved their living conditions.

PERCEIVED IMPACTS AND BENEFITS OF CTP

The operation provided an opportunity for the Red Cross Society of Ukraine to strengthen its disaster response capacity and to improve the coordination and cooperation with governmental and nongovernmental organizations. It also had a positive impact on the visibility of the National Society. While contributing to the restoration process in the communities affected by the disaster, it significantly reinforced its own profile and the community perception of the work done by the Red Cross.

LESSONS LEARNED

The following advantages of the cash grants vis-à-vis goods supply were revealed:

- Personal wishes of a recipient regarding his/her immediate needs are taken into consideration; therefore, the assistance better reflects the expressed needs of the beneficiary.
- Recipients receive necessary support much faster due to the absence of a tender procedure.
- Goods and services can be purchased at the lowest market price.
- Direct financial assistance raised some concerns among the recipients. For instance, older people receiving a large amount of money worried about the security of their money. Thus, it is recommended to avoid any publicity that could disclose the names of the beneficiaries.
- It would be better to agree with the beneficiaries in advance on the goods and services to be purchased, so financial assistance could be spent much faster.