

Cash Based Interventions

Implementation Guidelines for Light & Medium Repairs of Houses & Apartments



Version 01. 30 May 2023



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This document is intended to support the SoP for the repair of houses with minor damage (Light and Medium repair SOPs) in the case that the modality of intervention chosen contains cash and vouchers components.



Introduction

Cash-Based Interventions are a type of market-based intervention that use local markets and services to meet the needs of the people affected by the crisis, in this case, to carry out light and medium repairs to the houses and apartments affected by the conflict. They can be stand-alone or used in combination with in-kind assistance. Implementing cash-based interventions is not an activity in itself but a tool to implement one. During the project planning phase, it is necessary to evaluate whether CBI is the right tool to achieve the outcomes and what are the key elements to choose the most appropriate modality. This document is intended to provide guidance on how to choose whether CBI is the right assistance modality and, if so, what are the different options to carry it out.

Targeting

The selection of beneficiaries will follow the general criteria for shelter activities¹

- Household vulnerability
- Beneficiary does not have a second home to which he/she can move to
- Beneficiary does not have the means to carry out the repairs itself
- Beneficiary is not in receipt of any other housing-related assistance from another organization or from the administration

For the CBI modality, it is important to pay attention to protection-related concerns

- The risk assessment determines that the beneficiary is not exposed to additional risks arising from the assistance modality

Market Assessment

The market assessment is important to analyze the feasibility of the CBI and the choice of cash transfer modalities. The analysis should include an assessment of whether people will be able to buy what they need, without causing undue inflation. The key purpose of market assessment is:

- Know how the crisis has affected markets for materials and services. Evaluate whether the crisis has caused prices to rise, or has limited access to credit for sellers, or has caused labor shortages. Some materials may not be available due to interruption of production or interruption of imports, or logistical difficulties resulting from damage to infrastructure.
- Predict the supply of materials and services in the coming weeks. Analyze if the local market can be replenished to keep up with the increase in demand, if there are goods in stock, if there are alternative suppliers, etc.
- Identify actions that can have a quick and important impact on the market. Such as a sudden increase in demand due to the activation of reconstruction projects or an interruption in supply due to damage to warehouses or means of production and infrastructures.
- Identify and assess Financial Services Providers, infrastructure environment and regulatory considerations in the operating context.

The level of the assessment depends on the program and the stress it may cause in the markets. Sometimes it is enough to analyze existing information.

Market assessment tools: [RAM \(Rapid Assessment for Markets\)](#) ; [Minimum requirements for Market Analysis in Emergencies](#)

CBI programs can have a **positive impact** on markets and a multiplier effect on local recovery. Given the right conditions, cash distributions can reinforce pre-existing networks and supply chains and promote **localization**, as beneficiaries are more likely to choose local vendors and workers.

¹ Once the cluster shelter has a specific tool for targeting and prioritization beneficiaries, it will replace the criteria mentioned in this document



Risk Assessment

Cash-based interventions are no riskier than the in-kind equivalents. However, it is necessary to be aware that there are risks associated with this type of assistance and that these risks must be assessed, and appropriate mitigation measures developed. Sphere Protection Principles should be integrated in the program:

- Avoid exposing people to further harm as a result of your actions.
- Ensure people’s access to impartial assistance – in proportion to need and without discrimination.
- Protect people from physical and psychological harm arising from violence and coercion.
- Assist people to claim their rights, access available remedies and recover from the effects of abuse.

The **Risk Assessment** should consider at least the following aspects:

Risks	Mitigation Measures
Safe: Bribes, theft, looting, and extortion. It is not unique to CBIs, but handing over large amounts of money can expose the recipient.	Appropriate delivery mechanism. Good Program design
Access: Limited access to markets, FSP, or technology	Market assessment Appropriate delivery mechanism
Data Protection	Contracts with service providers include provisions in line with data protection policy
Community Dynamics	Eligibility criteria and targeting based on needs and vulnerabilities Harmonized approach by all partners
Inflation, exchange rate fluctuation	Prediction based on the historical inflation rates and exchange rates Estimate a range of inflation that will trigger the revision of the grant. Market Monitoring
Fraud	Staff and FSP Capacity Building Whistleblowing, monitoring, feedback, and complaints mechanisms.
Project objective is not achieved. Grant is used for other purposes.	Good Program design Determine if the capacity exists to implement Adequate frequency of payments design Adequate CBI modality selection Flexibility of design to accommodate people with specific needs (transportation, additional costs...)
The modality of assistance is not adequate for people with specific needs and protection risks	Engage a sample of all community members, with an AGD lens, in ensuring that mitigation strategies are incorporated into design based on risks and benefits identified in assessments.

Acceptability and AAP

Acceptability, understood as all stakeholders (vendors and field staff, beneficiaries and authorities) are comfortable with the delivery mechanism.



Beneficiaries must have a clear understanding of the risks involved in providing this type of assistance to take informed decisions. Communities must be meaningfully and continuously involved in decisions that directly impact their lives. Accountability and feedback mechanisms should be put in place from the moment the project is conceived. They should be informed of the objectives of the project and the different possible strategies to achieve them. The beneficiaries' suggestions and complaints about the project must be considered, including the relevance of the project itself. The participation of the most vulnerable must be guaranteed, establishing the necessary participation mechanisms, ensuring age and gender balance. They should be consulted on the utilization of CBI modalities, the advantages and disadvantages of its use, and the risks it entails. Monitoring and feedback mechanisms should be established and modify or adapt the modality of assistance during the project if monitoring reports so suggest.

Modalities of CBI

Selecting the right modality for cash intervention, market assessment, needs assessment and beneficiary preference are key factors to consider. The modalities used are classified as follows:

Vouchers/restricted cash - are used where there is a need to restrict spending in some way. Vouchers are recommended where the objective is to control or restrict what participants can purchase (e.g building materials).

Unrestricted cash for cash-based activities where usage is unrestricted. Beneficiaries can use it for whatever they want.

Mixed modality for activities which use a mix of modalities to achieve a specific outcome (e.g. mixture of in-kind materials, vouchers and training as jointly contributing to a repair).

Delivery Mechanisms

Agencies should choose the most appropriate delivery mechanism, based on mapping and assessment of financial services.

Category	Description	Provider
Direct cash payment (Cash in envelope)	Direct cash handed out directly to the beneficiaries by the implementing organization Option if financial service providers will/cannot be used	Implementing organization/ partner
Delivery through an agent/ (mobile voucher)	Direct cash delivered to recipients through a formal or informal institution/trader that acts as an intermediary. Does not require recipients to hold an account. Option: If Financial service providers are not regulated/used such as traders/hawalas/Microfinance and don't want to go electronical	Money transfer agents, post offices, traders, microfinance, banks
Pre-paid card	Plastic cards usable at cash machines (ATMs), used for cash grants and vouchers. Direct cash can be obtained at point-of-sale devices. Always requires network connection for transaction authentication. Option: To save funds as it is mostly the cheapest and fastest option	Banks, non-bank financial service providers, microfinance, post offices
Smart card	Plastic card with a chip, valid with point-of-sale devices and ATMs, used for cash grants and store purchases. Can provide offline transaction authentication when network connectivity is off Option: Gives the most flexibility of program but more complex and costly. Can be used when electricity is irregular/absent like in Kherson Oblast	Banks, non-bank financial service providers, post offices
Mobile money	Encrypted code that can be used for direct cash at various retail or other outlets, used for cash grants and vouchers. Requires mobile network connection for transaction completion	Mobile network operators, Banks



	Option If bulk payments can be done	
Bank account	Personal bank accounts that are used to deposit cash grants. Requires recipients to have formal identification (ID) documents and often formal residence status Option: If beneficiaries have IBAN bank accounts when using platforms like RedRose	Banks

Before making a choice of a delivery option and program design, analyze the different delivery options before making a choice

Analyze delivery options	1/ What are the possible delivery options, including delivery options used by the Ukrainian social protection programs? 2/ Which delivery options will better consider protection concerns identified? 3/ Who are the financial service providers and what is their potential coverage? 4/ If using the private sector, is a data protection impact assessment necessary?
Decide on the delivery mechanism	1/ Conduct further feasibility if needed to identify the best delivery mechanism. 2/ Decide on proposal, tendering and decision-making protocols. 3/ Involve appropriate HQ divisions (finance, procurement, legal, etc) early in the process to avoid later delays. 4/ Include clear roles and responsibilities of the organization and the financial services provider (FSP) in contracts including data protection code of conduct 5/ Organize a privacy impact assessment if necessary.

To conduct an assessment to identify an appropriate delivery system, the most important questions are

Beneficiary requirements and experience	1/Type of identification required for beneficiaries to participate 2/Convenience and comfort for the beneficiaries, amount of support needed.
FSP Capacity	1/Managerial and operational capacity of FSP to deliver 2/Time the FSP need to roll out the service and adaptability to changing contexts 3/Capacity to recover data and continue services in difficult contexts
System Security and controls	1/Level of safety for staff and beneficiaries at field level 2/Control systems that are needed to manage risks on fraud, correct on errors, financial protection, data protection 3/Ability to meet donor requirement on reporting
Cost efficiency	1/Cost of the service to the organization including design and implementation 2/Costs of the service to the beneficiary including access and withdrawal
Implementation effectiveness	1/Adjustable to varying payment amounts, scale and other changes 2/Number and technical capacity of staff required 3/User friendliness of the system and interface 4/ on-the-ground support and /or helpdesk of the service provider 5/ Availability to provide training to recipients and or staff.

Restriction and Conditionality

Unconditional cash grants alone do not guarantee shelter and settlement outcomes. The reliability of achieving the objectives set in the shelter programs can be improved through the incorporation of restrictions and conditions making the grant conditional

Restrictions: The range of options on which the affected population can spend the grant received can be limited in order to achieve the pre-set objectives. A common and proven effective way is through the distribution of **vouchers** that can be only exchangeable for certain products that meet predefined quality conditions. (It is necessary to reach an agreement first with pre-selected suppliers to guarantee access in terms of quality and quantity). But a well-designed program can also achieve the objectives without



placing restrictions on the beneficiaries and offering them more freedom of choice, for example by allowing them to use the assistance to hire a service provider specialized in carrying out repair works.

Conditionality: The conditions require the beneficiary to comply with certain activities to receive assistance, such as completing the repair works. The conditions, and therefore the verification that these conditions are met, make it necessary to monitor the program closely and strengthen accountability. The conditions refer to the achievement of an objective, and not to the means to achieve it, giving freedom of choice to beneficiaries.

There is no optimal solution, and each program must carefully study the level of restrictions and conditionalities that must be set to meet its outcomes. Technical assistance and market and risk assessments are crucial to support an informed decision. More open solutions give more choice and dignity to the affected population, reinforce the ownership of the project, and are more flexible for different scenarios, but the risk of not achieving the objectives is higher especially for vulnerable people.

Amount to Deliver and Frequency of Payments

The transfer value and frequency of payments is typically determined through assessments and analysis of the cost of living, local market prices, and the essential needs of the affected population. The transfer value should be adequate to meet shelter, taking into account the local context and the duration of assistance. We cannot determine an exact amount to deliver, because it depends on many particularities that must be studied on a case-by-case basis, but we can identify the main factors to consider when calculating it.

In-kind assistance allows for negotiated wholesale prices for construction materials. Therefore, it is not appropriate to transfer the tender prices of materials to CBI while the affected population will certainly not be able to obtain the same prices on the local market and by buying on a small scale. But the prices calculated for in-kind assistance (*Table 1*) can be used as a reference by applying the necessary adjustments.

Determining the transfer value

The determination of the actual transfer value for assistance involves collaboration between:

- The affected population
- Humanitarian organizations
- Shelter experts
- Local authorities

When it comes to determining the transfer value, the following factors come into play:

Technical assessment and BoQ	A thorough assessment is conducted to understand the needs of the affected population. This includes evaluating the availability and condition of the housing, identifying displaced or homeless individuals and families, assessing the level of damage to homes. A BoQ which corresponds to the assessment is the basis for estimation of the transfer value.
Market Assessment	A comprehensive market assessment will shed light on any potential additional fees associated with accessing cash and materials.
Construction and repair costs	The cost of construction materials, labor, and repair services is a critical factor in determining the transfer value for shelter assistance.
Household size and composition and capacity	The size and composition of households play a role in determining the transfer value for shelter assistance. Larger households may require more substantial support to secure suitable housing, while households with vulnerable members, such as individuals with disabilities or elderly persons, may require additional assistance to meet their specific needs.



Specific shelter requirements	Certain circumstances may necessitate tailored transfer values. For example, households with specific shelter requirements, such as those requiring accessibility features for persons with disabilities or households with infants needing specific accommodations, may receive higher transfer values to meet their unique needs.
Duration of assistance	The duration of the shelter assistance program influences the transfer value. Longer-term programs may require periodic adjustments to account for inflation , changes in construction costs, and evolving shelter needs over time.
Transport and distribution costs	Transportation and distribution expenses can diminish the amount of cash accessible to beneficiaries, reducing their purchasing capacity.

Frequency of Payments

- One-off payment: Normally at the beginning of the intervention. Recommended for small cash grants (less than \$1.500) and when the uncertainty that the work will be carried out as agreed is low. No margin to rectify if activities deviate from objectives.
Conditional payment: Payments conditioned on reaching a milestone. It is usually preceded by an advance payment and subsequent disbursements are made when certain steps are reached (e.g., completion of the roof, completion of the installation of windows, completion of the works)
For simple interventions, two instalments are usually sufficient to ensure control over the quality of the works.

Taxation of Cash Assistance

- Beneficiaries of targeted charitable assistance **are exempted from paying taxes** for this assistance.² Goods and services purchased with such assistance **are not exempt** from **VAT**. The cost of VAT must be considered in the calculation of transfer value.

² Ukraine Tax Code Art.165.1.54 - <https://zakon.rada.gov.ua/laws/show/2755-17#Text>



type of repair	type of building	most common works under this intervention	cost range (USD per HH)
Light repairs	in single-family detached houses	<ul style="list-style-type: none"> replacement of roofing panels (small portion of the roof) replacement of one to three complete windows (or only glazing, when possible) minor fixes of cracks in external brick walls and restoration of the related portion of plastering replacement of exterior doors 	1,500 - 2,500
	in multi-story apartment buildings	<ul style="list-style-type: none"> replacement of one to three complete windows and balcony doors (or only glazing, when possible) replacement of entrance doors repair of the communal roof <ul style="list-style-type: none"> for non-flat roofs: replacement of roofing panels for flat roofs: replacement of water-proof membranes 	500 - 1,000
Medium repairs	in single-family detached houses	<ul style="list-style-type: none"> replacement of roofing panels (larger portion of the roof, compared to light repairs) replacement of rafters of the roof structure replacement of four to six complete windows (or only glazing, when possible) replacement of exterior and interior doors minor fixes of cracks in external brick walls and restoration of the related portion of plastering repair of small portions of non-structural walls minor fixes of electricity, and water and heating pipes 	2,500 - 4,000
	in multi-story apartment buildings	<ul style="list-style-type: none"> replacement of four to six complete windows and balcony doors (or only glazing, when possible) replacement of entrance and interior doors repair of small portions of non-structural walls minor fixes of electricity, and water and heating pipes repair of the communal roof <ul style="list-style-type: none"> for non-flat roofs: replacement of roofing panels and some rafters of the roof structure for flat roofs: replacement of water-proof membranes 	1,000 - 2,000

Table 1: Indicative average costs for in-kind L&M repairs activities³

Costs associated with the type of assistance

FSP fees: Is the commission charged by the financial service provider for distributing the cash. Although it is usually a % of the total assistance and deducted from the amount to be delivered, sometimes the FSP charges the beneficiary with additional fees. (e.g., if he makes multiple encashments).

POS device: In the case of e-money assistance, consider whether the beneficiary has a Point of Service Device (e.g., smartphone) or ask for someone to support to have access to the money. Special attention should be paid to the elderly and the digitally illiterate and network coverage.

Goods: Materials and tools necessary to carry out repairs. Prices are usually set by the local market based on demand and availability. Cash grant shall be sufficient to purchase materials meeting the minimum quality standards defined in the project.

Transport and Delivery: Includes costs incurred by the beneficiary to travel to the market(s) to purchase the materials and the cost of taking the materials to the place where they are to be used. In the case of vulnerable people, or where markets are not fully functional this cost may limit access to appropriate materials. It is also necessary to evaluate whether the beneficiary incurs transportation costs to withdraw the cash from the FSP.

Services: Understood in this context as the implementation of the repair works. These works can be self-driven by the beneficiary, commissioned work, or contracted work. The program should assess the cost of labor in contexts where it may be limited or unskilled. If it is the case, capacity-building activities can be considered to increase local labor skills.

³ [Shelter Cluster Ukraine; Light & Medium Repairs SoP](#)



Monitoring

Integrate cash monitoring mechanisms into already functioning systems of monitoring.

Monitoring mechanisms should consider the following aspects:

Market: Market monitoring assesses key indicators of market functionality and access over time to understand changes in market systems: average price of goods and services, availability, stock levels, etc. Significant changes in these indicators can suggest problems with supply or demand and provide guidance on whether the transfer continues to cover the costs of the products and/or services for which it was intended.

- People have access to markets, are they still functional or recovering?
- Are they able to transport goods from the market as anticipated in the project design?
- Is the payment for laborers consistent with local wages?

Quality: The quality of assistance must be monitored for both materials and workmanship. And when possible, compare results with equivalent in-kind interventions.

- Are materials purchased with the grant of durable and appropriate quality?
- Do beneficiaries have access to skilled workers?

Adequacy: Understood in this context as the appropriateness of using CBI as a mode of assistance vs in-kind.

- Has the beneficiary had an opportunity to provide feedback to the work plans?
- Do they understand what the repairs will accomplish and what are the differences between receiving the assistance in cash/vouchers or in-kind?

Risk: To capture changes in risks

- Risks identified during the risk analysis phase have materialized or not?
- Mitigation measures were used and were effective?
- Any new or unforeseen risks



Global Guidelines & References

Sector Specific

- [Shelter and Cash and Voucher Assistance](#) (CALP (Cash Learning Partnership) network & Shelter Global Cluster)
- [Guidance on Monetization in the Shelter/NFI Humanitarian Response in Ukraine](#) (Shelter Cluster)
- [Cash Based Programmes For Shelter NFI-Implications upon shelter Cluster Information Management Services](#) (Global Shelter Cluster)
- [Shelters, Settlements and Cash, A manual on Cash & Vouchers Assistance](#) (IFRC, AICRL)

General

- [Operational Guidance and Toolkit for Multipurpose Cash Grants](#) (CALP network, UNHCR, DRC, OCHA, Oxfam, Save the Children, WFP)
- [Emergency Manual CBI](#) (IOM)
- [Guidance on CBI](#) (UNHCR)
- [Operational Guidance for Cash-Based Interventions in Displacements Settings](#) (UNHCR)
- [Guide for Protection in Cash-based Interventions](#) (CALP network, UNHCR, DRC, Global Protection Cluster, Oxfam, Save the Children, Women's Refugee Commission, WFP)
- [Cash and Vouchers Manual](#) (WFP)
- [Cash Transfer Programming toolkit](#) (MercyCorps)