CRS/Caritas bank transfers enabled households to make vital window repairs in preparation for winter. *Photo by Volodymyr Nechaiev/CRS*

Ukraine

WINDOWS OF SLOVYANSK
CONFLICT

Location:	Slovyansk, Donetsk Oblast, Ukraine
Disaster/conflict date:	February 2014; ongoing
Project timescale:	August 2014 – January 2015 (6 months)
Houses damaged:	1,147 damaged; 169 houses and 290 apartments destroyed
Affected population:	129,600 people affected in Slovyansk
Target population:	1,000 households and up to five schools
Modality:	Bank transfer to beneficiaries
Material cost per shelter:	Varied
Project budget:	US$240,081

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RESPONSE ANALYSIS

After pro-Russian separatists declared republics in Eastern Ukraine in April 2014, Slovyansk became a focal point of fighting between government forces and rebels until the Ukrainian military retook the city in early July. Slovyansk saw the heaviest fighting of any urban area and many city dwellers fled. The United Nations High Commissioner for Refugees reported 101,617 internally displaced people in Ukraine as of July 2014, with more than 86 percent from Eastern Ukraine. However, a large number of the resident population, estimated in the tens of thousands, remained in or around the city because they lacked the resources or ability to leave.

The government of Ukraine did not declare a state of emergency or make any request for external humanitarian assistance, which prevented the United Nations and other agencies from being directly or substantially involved. Local and regional government offices were responsible for assistance and the coordination of repairs and renovation activities, but their support was limited due to lack of budget allocation. Some humanitarian agencies experienced administrative and customs difficulties, resulting in delays or cancellations of assistance. Catholic Relief Services (CRS) and its partner Caritas Ukraine concluded that all assistance, including the procurement of necessary goods, had to be provided locally.

Based on identified needs and the local market context—as well as feasibility, protection and security, and beneficiary preferences—CRS chose a cash-based response.

Shelter needs

The continued fighting had caused damage to housing, leaving many households vulnerable to approaching winter temperatures. Caritas Ukraine

47,500 m²

AMOUNT OF GLASS NEEDED TO REPAIR DAMAGED WINDOWS

conducted assessments with the City Bureau of Housing and Communal Services to establish ways to improve households' resilience during the winter. Findings showed that 1,300 vulnerable families had no windows in their homes or apartments as a result of percussion from explosions, which further damaged heating systems due to freezing. Households that could not repair their windows with glass used any material they could find, such as plastic, cardboard, carpets and wood.

The program estimated that the total amount of glass needed for window replacement was approximately 47,500 square meters, of which 67.5 percent was for residential purposes. By the time the program started, approximately 40 percent of windows had already been repaired or replaced—all schools had full or temporary repairs, but many low-income households, a number of kindergartens, and an orphanage still needed assistance.

Market context

A rapid market assessment indicated that there were sufficient local vendors and contractors of windows and building supplies. Shelter services and supply markets were functional and could meet the needs of local people.

PROGRAM STRATEGY

The program aimed to repair and replace windows damaged during the conflict to ensure that living accommodation would be warm during the winter; this assistance focused on dwellings, with a smaller component for schools and other child-support facilities. CRS and Caritas Ukraine implemented the project in Slovyansk and surrounding communities.

Due to the rate of self-recovery and the risks associated with procurement and logistics, CRS and Caritas Ukraine revised the initial proposal, which consisted of buying glass and having it cut and delivered to households or collected by beneficiaries. Instead, they decided that electronic cash transfers were quicker, safer, more

appropriate, and would enable the program to use existing vendors and contractors.

CRS and Caritas Ukraine employed local contractors to supply and fit glass, repair windows and replace whole frames where required. Different activities were required for the repair or replacement of different types of window (timber, plastic and metal); CRS negotiated an agreement with participating contractors that set standard rates for each type of work. The program used existing standard base rates to negotiate and agree on costs and verified them against costs for similar work by the government, nongovernmental organizations and the private sector.

PLANNING AND IMPLEMENTATION

Partnership

CRS partnered with Caritas Ukraine to implement the project.

Beneficiary selection

The Slovyansk city administration prepared the beneficiary list using government data and individual requests from households; however, government data were out of date. CRS performed outreach to communities through a help desk in the city library and verified the beneficiary list through preliminary interviews and household visits. Beneficiary criteria were based on the government of Ukraine's definition of vulnerability—whether beneficiaries were registered for social assistance, which covered age, income, health, handicap and social situation. Caritas Ukraine reviewed and approved the beneficiary list and limited direct assistance to the most vulnerable people on the basis of existing Caritas criteria. The program used a spreadsheet to register beneficiaries in a shared database and kept individual files for each beneficiary, including copies of surveys, agreements, photographs, GPS coordinates, bank payments and other information.

Value of cash grant

CRS engaged local contractors through a framework agreement with suppliers, and agreed on standard common rates for repairs through a series of meetings. The value of repairs varied depending on the type of work:

- Single-pane replacement (materials and labor): 160 Ukrainian hryvnia (UAH) per square meter
- Double-glazed unit (materials and labor): 320 UAH per square meter
- Replacement uPVC frame and glass (materials and labor): 700 UAH per square meter
- Timber-framed windows repairs (materials and labor): 250 UAH per piece

There was no set cash grant value; CRS determined the value on a case-by-case basis depending on the level and type of window repairs required by each household.

Cash distribution

CRS paid beneficiaries directly through new bank accounts created specifically for this payment, which were restricted to specific contractors registered to that account. This approach prevented any tax liability on the part of CRS and provided assurance that beneficiaries could use the funds for repairs only. It also reduced the administration required to pay vendors or contractors directly and assured vendors that funds were available for payment. CRS made an assessment of different banks prior to selection; banks were very helpful and opened accounts within 24 hours. Electronic banking technology enabled quick disbursement of cash to beneficiaries.

Repair

The program requested expressions of interest from contractors for prequalification. Expressions of interest included details that would help the program to select contractors. CRS interviewed each contractor and visited their offices and workshops. Once the contractors were prequalified, beneficiaries could procure replacement windows by requests for quotations to these contractors. To increase efficiency, smaller jobs were combined into single contracts, with the contractor selected based on experience, tax and company status.
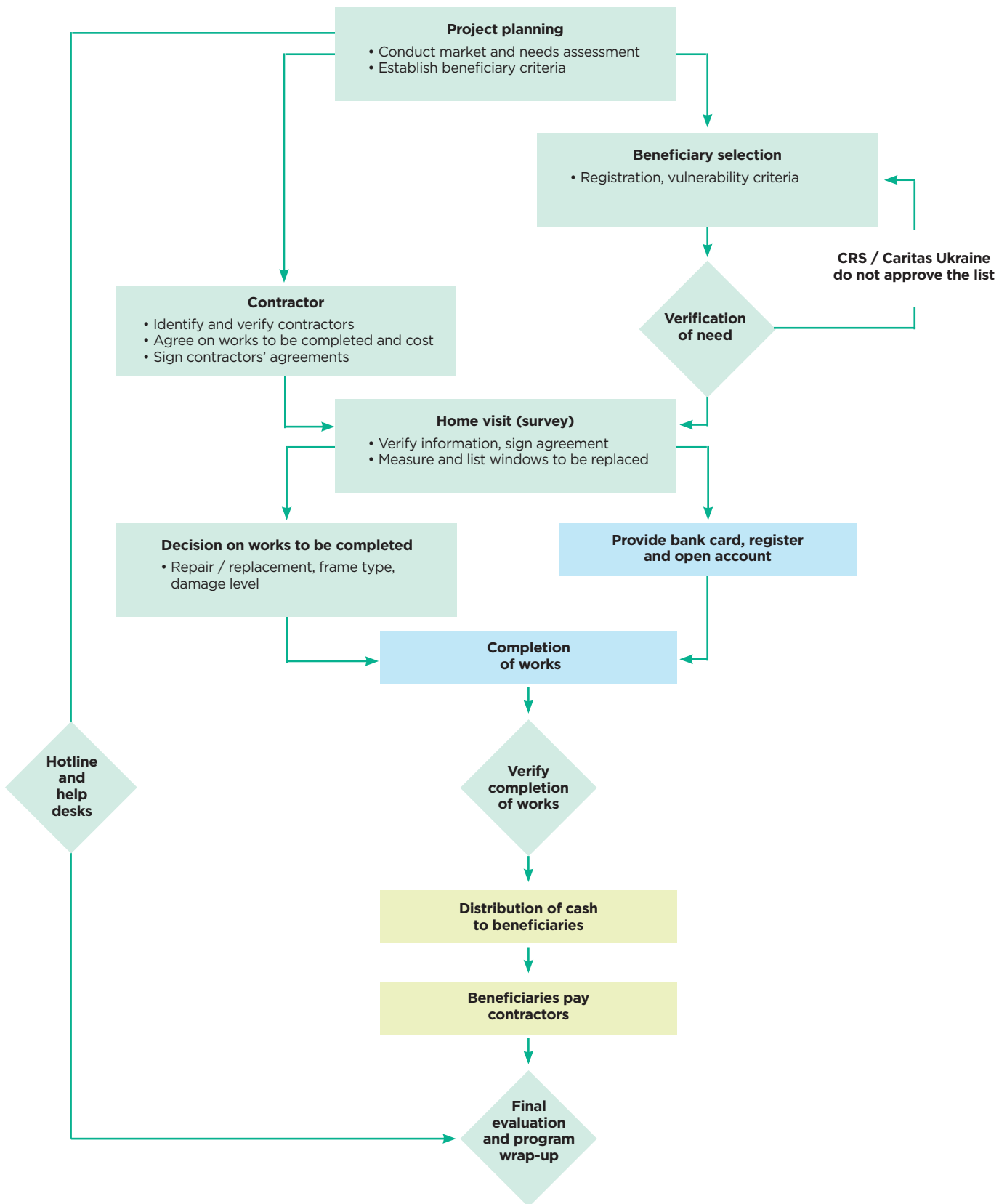
The repairs required depended on the type and condition of existing windows. The program repaired timber frames if possible, sometimes with the help of a carpenter, or replaced them with plastic frames and double glazing. If the frames were adequate or could be fixed, the program installed 4mm glass with mastic and new beading. The program replaced plastic and metal window frames if damaged; otherwise, the program fitted new double-glazed units into the existing frames. The supplier took all measurements and supplied and installed the windows.

Protection

Project activities focused on the elderly, low-income families and those with young children to meet the needs of the most vulnerable. Decisions around repair and replacement took into account the capacity of households, particularly elderly households, to maintain and repair windows in the future, ensuring that the project provided more than a temporary solution.

Process

The chart below illustrates the process of implementation.

Project planning
- Conduct market and needs assessment
- Establish beneficiary criteria

Beneficiary selection
- Registration, vulnerability criteria

Verification of need

CRS / Caritas Ukraine do not approve the list

Contractor
- Identify and verify contractors
- Agree on works to be completed and cost
- Sign contractors' agreements

Home visit (survey)
- Verify information, sign agreement
- Measure and list windows to be replaced

Decision on works to be completed
- Repair / replacement, frame type, damage level

Provide bank card, register and open account

Completion of works

Verify completion of works

Hotline and help desks

Distribution of cash to beneficiaries

Beneficiaries pay contractors

Final evaluation and program wrap-up

MONITORING AND EVALUATION

CRS used the following monitoring and accountability mechanisms:

- Conducted preliminary interviews and household visits to ensure that those seeking assistance complied with the vulnerability criteria.
- Provided evidence with photographs and GPS coordinates and met program reporting requirements.
- Documented and collated rates, agreements and prequalification forms to ensure availability for audits or inspection.

- Maintained the database and methods of reporting and provided the documents and pictures required by the agreement.
- Set up a help desk in the town library to respond to queries and a hotline to provide information and address complaints.
- Used SMS text messages to inform beneficiaries about the program and update them on progress.

RESULTS

By the end of the project, the program had installed 1,204 windows in 379 households. The program also supported the businesses of small, local vendors of shelter materials and contractors of shelter services.

ADVANTAGES AND CHALLENGES

Advantages	Challenges and risks	Actions and recommendations
Repaired windows protect vulnerable families from cold winter weather and reduce damage to heating systems due to freezing.	Households had already begun simple repairs, leading to a need for CRS to focus on the more costly and time-consuming repairs that households required assistance for.	CRS modified the original design of the program to accommodate varying needs for assistance.
	Government data were incomplete and out-of-date. CRS had to verify every household and check registration information	CRS set up a help desk in the town library to help people register for support and respond to queries. They also set up a hotline for complaints and information.
	There was pre-existing damage to property due to poverty, especially among the elderly.	CRS found ways to provide repairs for pre-existing damage to reduce their vulnerability.
Providing cash to beneficiaries to pay vendors enabled CRS to avoid tax liabilities from paying suppliers directly.	Some contractors needed payment in advance as they did not have credit with suppliers.	CRS provided these suppliers with assurances that assisted with this.
	Bureaucratic procedures avoided tax liabilities but created a substantial workload and limited progress.	The team had fairly robust systems in place for dealing with bureaucratic procedures, and was able to handle the increased workload efficiently.
Providing windows ensured that beneficiaries had sufficient warm living space before winter.	Because of time constraints due to the approach of winter, the program was unable to complete all activities on time.	A temporary windows team visited beneficiary households with plastic sheeting and tape to ensure that households had at least some protection from winter temperatures, with average temperatures of approximately -13°F (-25°C).
	There were delays due to internal administration and communication between Caritas offices and the donor. Delays meant the program could not be completed within the proposed timescale.	The program hired more contractors to increase output and ensured good relations with existing contractors. The program ensured adequate monitoring and supervision to ensure quality work.

Advantages	Challenges and risks	Actions and recommendations
CRS and Caritas Ukraine worked with local government offices to implement the program.	There was a complicated situation with the local power structure. Many former representatives who had openly supported pro-Russian separatists had been displaced or disappeared; others who had not openly supported separatists were not friendly to Kyiv officials either. Newly appointed representatives had no experience in disaster assistance.	CRS and Caritas Ukraine regularly disseminated information about project activities through all available and appropriate means of communication while making all activities visible to the public, media and authorities. The program also held regular coordination meetings of stakeholders in every region regarding program activities and timely solution of problems.
Cash transfers ensured a flexible approach to the project.	A tense security situation with varied security risk could limit access to target areas—the conflict changed daily. Security was always an issue, especially where there had been fighting and there was a risk of unexploded ordnance.	Security assessments were an ongoing part of operational plans. The head of the Caritas Ukraine office in Kharkiv had primary responsibility for staying abreast of security and access issues in all areas of operations.

WHAT WE LEARNED

The implementing agency can reduce the tax burden to beneficiaries for financial transactions. It is important to understand tax exemption mechanisms and whether tax may be charged to beneficiaries. Financial transactions through beneficiaries in this project avoided tax liability on the part of CRS, but it may have put beneficiaries at risk of being charged VAT or income tax.

Technological infrastructure can facilitate quick and safe cash transfers but can be vulnerable in conflict zones. Ukraine had electronic banking methods in place, including debit cards, which facilitated the transfer of funds to beneficiaries. Completely digitized systems, such as the one used in this project, may be vulnerable to failure as a result of power cuts or Internet failure, especially in conflict areas.

Bulk payments, where feasible, can reduce time and resources needed. Systems should be in place at banks to make mass or bulk payments to large numbers of beneficiaries; in Ukraine, banks had to process beneficiary payments individually.

It would be helpful if banks could provide a system to monitor payments. It would have been useful to have a system in place through the banks to verify when beneficiaries had received payments and to ensure that individuals were able to access their funds when required.

Documentation can be challenging, especially in conflict areas where protection is key. Ukraine has a high level of bureaucracy, which could cause problems in conflict situations where beneficiaries may have missing documents or identification (which may be required to open bank accounts), or where people may not want to provide identification. Many people in conflict situations may not want to volunteer information, provide identification or appear on lists. Secure data protection measures should be in place.

Supporting local service providers can ensure quality, timely response. By facilitating direct links to local vendors and contractors, CRS and Caritas enabled beneficiaries to choose their service provider and customize their repairs. The strategy also supported local livelihoods.