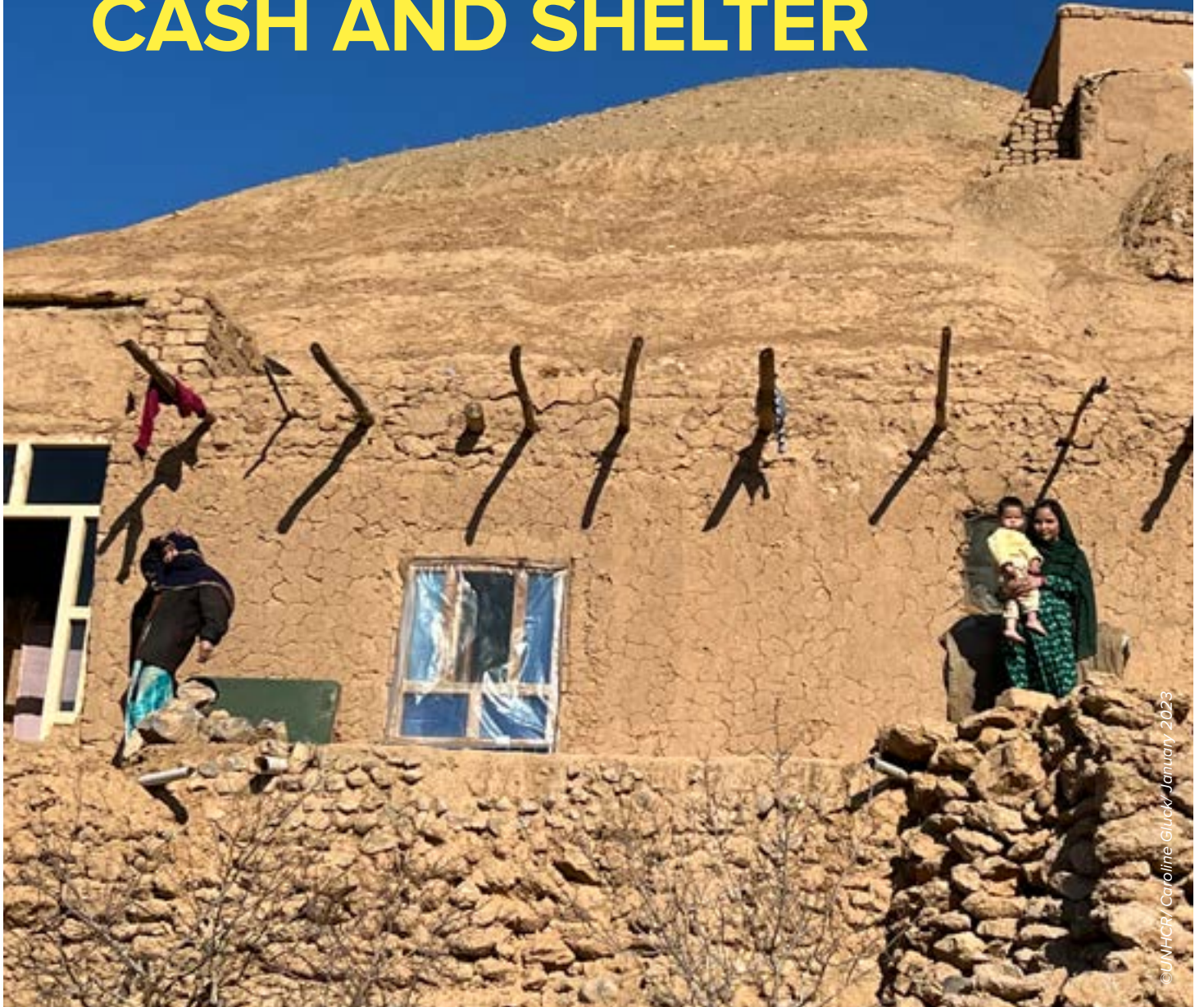




**UNHCR**  
The UN Refugee Agency

# CASH AND SHELTER



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Access to sustainable housing through cash assistance - Key considerations and learning

This document promotes the use of cash assistance<sup>1</sup> for accessing sustainable housing, including for rent, repair, and construction, using unrestricted cash whenever possible in line with UNHCR’s Policy on Cash-Based Interventions<sup>2</sup>. It highlights key tips from different contexts, seeking synergies between cash, housing, and protection programming to achieve living and protection outcomes.

## Summary Key Considerations and Learning on Cash and Shelter

- ✓ Assess the housing needs and demand, including common types of housing and how much is spent on rent, what are the repair and construction needs and tenure security.
- ✓ Promote leadership/ engagement of the beneficiaries in the process from managing the cash and construction to engaging with retailers, labour force, landlords and communities. Consider tailoring the program for groups or individuals with vulnerabilities and/or specific needs.
- ✓ Engage community-based protection and assess possible protection risks and outcomes. GBV and SEA risks shall be carefully monitored.
- ✓ Understand the market opportunities and risks (including but not limited to affordability, accessibility, quality), and available accommodation, land, construction material and manpower. Monitor the markets and the impact of any large program which may influence it.
- ✓ Determine the level of core technical shelter and cash support required from UNHCR or partners linked to the cash assistance, from very limited to full support.
- ✓ Ensure proper calculation of rental and utilities fees in the Minimum Expenditure Banded (MEB) as part of cash for basic needs, and the calculation of the transfer value (such as detailed Bill of Quantity) for repair and/or construction.
- ✓ Consider the sustainability and continuity of the cash assistance, particularly in relation to aid dependency and potential exit strategies.
- ✓ Conduct regular Post-Distribution Monitoring (PDM) to monitor protection outcomes (including tenure security/ eviction risks and potential tensions with hosting communities). Ensure rigorous quality control monitoring for repair and construction.<sup>3</sup>

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1. Cash assistance is a broad term used throughout this document to encompass the use of cash grants, vouchers, and other types of cash-related modalities.

2. [UNHCR - Policy on Cash-Based Interventions](#)

3. [Managing construction and rehabilitation projects - UNHCR Emergency Handbook](#)



*Darfur/Sudan: Cash for Shelter program helping IDP returnees rebuilt their damaged homes. ©UNHCR/ Ararat Babayan/ July 2021*

## Background

Cash assistance provides opportunities for greater engagement of individuals, families and communities in the planning, implementation, and ownership of their living conditions. It also offers an opportunity to assist beneficiaries in providing shelters that are in line with the UNHCR's urban policy. 95% of UNHCR's cash assistance is unrestricted, giving the choice to the beneficiaries how to best meet their needs. UNHCR's post-distribution monitoring from 93 countries over the past years highlights that forcibly displaced prioritize housing when using UNHCR's multipurpose cash assistance. **Rent is the second highest expense after food.** Other basic expenses for living such as fuel / gas, utilities and bills, shelter repair and others are also in the top 15. Out of the 47,385 households surveyed, **77% reported a significant or moderate improvement in their living conditions after receiving the cash** whereas 25%

reported a slight improvement. Given the gap in meeting the basic needs overall, however, **skipping paying rent was the third most common negative coping mechanism (43%)**, and 18% of the respondents reported having moved to poorer living conditions.

While the considerations may differ for cash for rent, repair/ new construction, and repair in exchange for rent, which all fall under cash for shelter, this document presents learning in relation to all these objectives. Housing, land and property (HLP) rights are central elements throughout and define the key stakeholders ranging from landlords, beneficiaries and banks to local masons and markets. Leveraging UNHCR's existing cash capacity and cash transfer mechanisms are critical.

# Basic Foundations

**For cash for rent and utilities, the starting point should be to include it as part of the minimum expenditure basket in the basic needs programming.** Attention should also be paid to the durability and the continuity of the cash assistance, including linkages with livelihood and other activities that may help self-reliance, national social protection programmes and/or other development efforts. In countries where people are not eligible for MPCA and rental support is linked to durable solutions, it may be separate from the basic needs grant. In such cases, the implementation details, including instalments, may vary depending on the context.

The level of time and depth spent on the key considerations will vary from context to context. Community-based protection, community engagement and commitment play a key role in the cash assistance whether it is for rent, repair or construction. Through the operations management

cycle, the below main considerations are categorised under planning, implementation and monitoring which might vary depending on the context.

When programming for cash for shelter and housing, a basic understanding of the below is required:

1. Rental and utility needs integrated in multi-purpose cash.
2. Population housing needs.
3. Protection risks.
4. Risks of fraud, corruption and other.
5. Housing, Land and Properties (HLP).
6. Markets and pricing (material quality, skilled labour availability and vacancy rates).
7. Quality of housing and land.
8. Impact of a refugee influx and others displaced people on prices/ market and the host community.
9. Local building culture and shelter typologies.



# Key Considerations for Planning, Implementation and Monitoring on Cash for Housing

## PLANNING

### 1 Assess the shelter needs and demand:

Understand the common types of shelter/ housing of the affected populations by answering the below questions:

- ▶ How could cash help them in improving their living situation? Below is a summary of assistance types:
  - Cash for rent to be included in MPCA
  - Cash for repair
  - Cash for new construction
  - Cash for repair in exchange of free rent
  - Cash for work
- ▶ How could they meet their housing needs?
- ▶ What is their intention and duration of stay?
- ▶ What is their preferred construction type (including design, construction techniques and materials)?
- ▶ How much is spent on housing and what are the reasons for choosing current location (if any)?
- ▶ What is the availability and the needed quantities and quality of the construction materials and the labor?
- ▶ Are there any potential environmental issues related to that?
- ▶ Will the technical and structural integrity of the shelter be affected / ensured throughout the process?

## Selecting beneficiaries for cash for rental subsidies in Yemen

UNHCR provides vulnerable IDPs with cash for rent. 70% of the internally displaced and returnees live in urban settings, and many are experiencing difficulties with paying rent. The assessment was carried out in line with the Rental Market Guidance, including assessment of the quality of the shelters. The assistance is provided to IDPs based on the level of socioeconomic vulnerabilities, including engagement in negative coping mechanisms, low/ no income and protection vulnerability. The targeting of the cash also takes into consideration the situation in terms of their shelter, including whether they are late with rental payment, if they have received an eviction notice as well as the overall shelter condition. Each instalment covers three months of rent.

## Cash for shelter and protection in Afghanistan

UNHCR provides cash for housing construction in the eastern, southern and western regions of Afghanistan. A total of 600 IDP household were provided with USD 3,300 each to construct a two-room shelter. An assessment had found that one-room shelter did not sufficiently address cultural needs (where men and women need separate space). The cash grant is based on a market assessment of the costs of materials, transportation and labour. UNHCR provided technical training of all beneficiaries and partners on the implementation of the project. The detailed shelter design is provided as a guidance, and beneficiaries can tailor the design according to their own needs if the revision ensures the safety of the structure. UNHCR included anti-fraud activities in the training and during the cash distribution. The project empowers beneficiaries to liaise directly with private sector providers such as suppliers of building material and labour, thus supporting social cohesion and the local economy. This efficient and effective use of funds also allows beneficiaries to spend savings, if any, on home improvements or other basic needs.

1. Repair includes rehabilitation which is the repair of damages and/or renovation which is a set of interventions to secure a better shelter.



*Jordan: Mother and son, refugees from Syria, use UNHCR's cash assistance to cover rent and other expenses.*  
 © UNHCR/ Jordi Matas / November 2022

**2 Determine security of tenure:**<sup>5</sup> The concept of “secure enough” requires a reflection on what may be the most pressing need of people affected by a crisis. For example, a person may prioritize immediate protection from extreme elements over the need to stay in a shelter longer-term. Explore legal requirements including proof of ownership and

possible alternatives, sample of free-rental contracts if repairs are carried out in exchange for rent, and temporary ownership agreement to avoid evictions. Assess household and community tenure security also in relation to land intended use versus actual one, as per local master plans.

## Selecting beneficiaries for cash for rental subsidies in Yemen

The HLP status is determined through the due diligence verification process performed during the first site visit to check available HLP documentation and ensure disclosure of property owners’ rights over the shelter and land in question. The following information should be verified and obtained from the beneficiary and/or the property owner:

- Who owns the land in question? Is it meant for residential purposes? If not, type of land use designation as per regulatory frameworks and existing master plans?
- Who owns the property in question? Which documents are available to prove the ownership? Type of ownership?
- What is the current hosting/ rental arrangement? For how long, and in exchange of any service (e.g. farming)? Can it be extended?
- Is the owner (or legal representative) present in person? Does s/he consents to the cash for shelter arrangement and tenancy to the beneficiary for the agreed period?
- Is the ownership/tenancy status of the property currently in dispute (e.g. among other owners, following heritage ownership subdivision)? Has it been disputed before?

5. In the [Sphere Handbook](#), Security of Tenure is the 6th Standard for Shelter and Settlements. “Tenure is the relationship among groups or individuals with respect to housing and land, established through statutory law or customary, informal, or religious arrangements.” Security of Tenure is not only limited to legal frameworks but also is related to peoples’ perception of how secure their right to use accommodation is.

## Network of Refugee Workers in the Middle East

A qualified network of refugee workers from different nationalities and linguistic backgrounds provides ongoing community home-based protection to assist refugees and others of concern within their communities. The network provides protection services including protective housing and supports refugees at risk of eviction or experiencing homelessness. Specific SOPs are developed to guide the interventions and support provided by the partner and its

network of refugees. The network supports:

- Negotiation with landlords on contracts and rental conflicts
- Provision of temporary community housing / accommodation
- Access to temporary emergency housing grant support
- Facilitation of access to safe apartment /housing for unaccompanied minors and separated children referred by UNHCR and other partners
- Other vulnerable refugees to

find safe housing including negotiation with landlords

- Sensitization of grant recipients on management of their housing assistance and household expenditure
- Linkages with case management agencies for appropriate follow-up and
- Where feasible, search for alternative sources of income to ensure self-sufficiency and phase out the UNHCR cash assistance.

### 3 Assess the overall protection situation and the potential protection risks associated with cash assistance and rental accommodation.

Ensure the community-based protection team plays a key role in the cash assistance, including community outreach, monitoring of risks and outcomes. Ensure an AGD lens in the process in line with UNHCR's AGD Policy<sup>6</sup>, ensuring sustainable housing is accessible to persons with specific needs. Promote the use of PSEA networks and tools<sup>7</sup>.

### 4 Understand the market and available accommodation.

Understand formal and informal accommodation rates and options available; establish suitability and lists of accommodation for different vulnerability groups, family size and any specific needs; conduct rapid market assessment to understand the rental market and/or what materials,

labor and transport are available to determine the shelter design solutions; consider in the market assessment the quantity and quality of construction materials as well environmental issues, including ethical sourcing and sustainability; observe and understand decisions made by affected populations to find accommodation; conduct random samples from agencies on vacancies and prices; consider skilled labour and include shelter questions in protection monitoring on accommodation and costs.

5 Use the [UNHCR - UNHCR Multi-sector Market Assessment: Companion Guide and Toolkit \(November 2020\)](#) to carry out market surveys and assessments generally. Specific rental market assessment tools can be found here: [UNHCR - Cash-Based Interventions](#).

6. [UNHCR - UNHCR Age, Gender and Diversity Policy](#)

7. [Protection from Sexual Exploitation and Abuse](#)

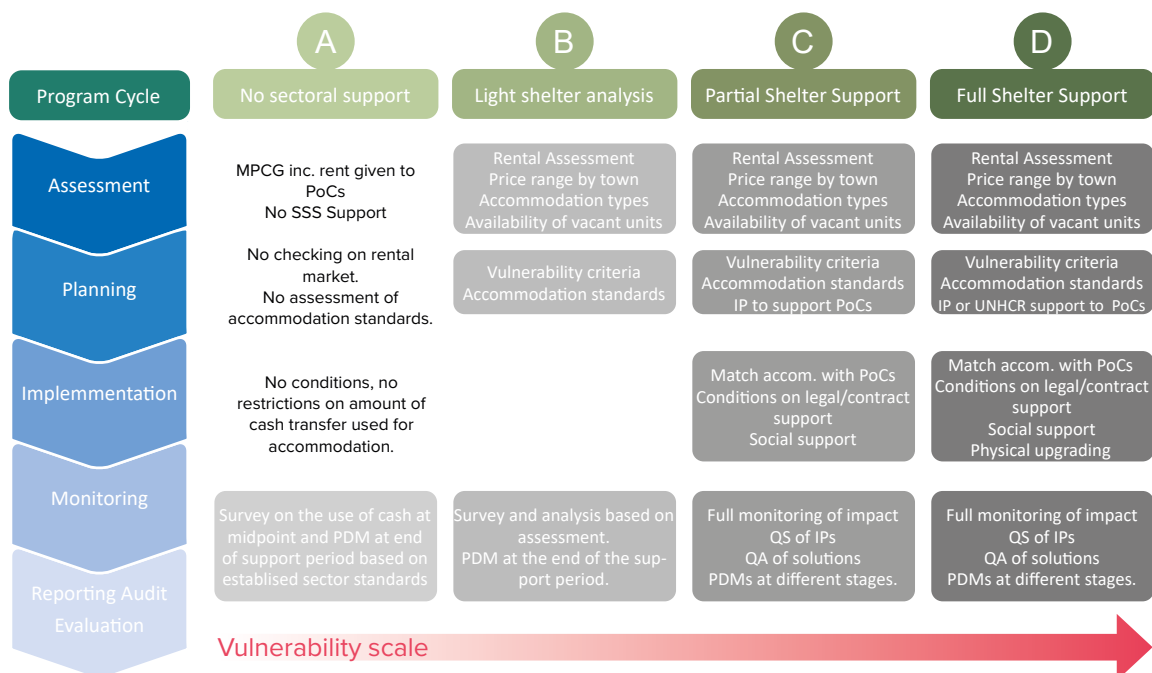
### RENTAL MARKET SURVEY AND ANALYSIS

A market survey for cash for rent may include:

- Source of information: affected population, informal and formal property agencies, government data, INGO records, housing charities.
- Establish accommodation vacancy and rent price ranges
- Describe general condition of properties in the various price ranges:
  - a. Number of rooms, size and condition etc.
  - b. Communal utility services and connections: water, sanitation, electricity for lighting and heating/cooling, garbage collection.
- Map of urban areas with as many parameters as possible:
  - c. Boundaries by accommodation categories and price range.
  - d. Real time data on vacancy rates.
  - e. Data base of available accommodation with basic price, landlord contact details.
  - f. Amenity locations: schools, health clinics, ATMs, shopping, workplaces/livelihood opportunities
  - g. Transport information.
- Legal requirements: sample rental contracts.
- Procedures for affected populations to register with utility and other service companies (particularly relevant for those missing civil IDs).

**6 Determine the level of shelter core activities linked to the cash assistance,** which will vary from context to context with very limited to full shelter support. See the diagram below as an example for cash for rent. You also need to assess the

protection environment and the extent affected populations access basic rights, including but not limited to documentation, access to land and employment, access to education, and financial and other services.





**7 Determine suitable modality**, based on the conducted assessments including on needs, market availability, protection, status of shelter and value of the repairs. Consider full CBI (restricted/unrestricted, conditional/unconditional) or in combination with in-kind. The CBI Policy promotes a “why not cash approach” whereby cash must be prioritised over in-kind. Consider also whether the beneficiaries can execute works themselves or if they need support from relatives/host community/labour market. Bear in mind quality assurance - no economy should be made at the detriment of the quality of works.

*Jordan: two refugee cousins from Syria, share a flat, using UNHCR's cash assistance to cover rent and other expenses.*  
© UNHCR/ Jordi Matas / November 2022



## Why Cash for War-Damaged Shelter Repairs in Iraq?

In Iraq, UNHCR and other agencies are providing cash for repair to improve the living conditions of extremely vulnerable people living in substandard shelter having experienced their houses partially/heavily damaged by conflict. The added value of this approach is that cash:

- Can increase the value of assistance directly received by a beneficiary by eliminating profits for contractors and labour costs when households manage repair activities;
- Using local contractors or local partner will also have an overall positive impact on the local economy;
- May allow beneficiaries to implement cost-saving measures (executing the works by themselves, negotiating prices for labour, getting items at lower prices, etc.), and for them to engage family members or other connections to assist with labour and sourcing;
- Stimulates short-term local market recovery (jobs, consumption from local shops, etc.), benefiting the community as a whole;
- Involves beneficiaries in the repair of their own home resulting in homeowners developing rehabilitation and maintenance skills;
- Allows beneficiaries more flexibility and is often their preferred modality of implementation. The works are implemented according to their schedule by people, and may allow them to select local contractors they are familiar with;
- Can speed up the process of supporting those in need, potentially requiring less time to establish such a programme, as work is done immediately by beneficiaries or selection of contractors is done at the local level, preventing beneficiaries from having to wait until a contractor is available;
- Can allow more privacy without having external, unknown contractors in their homes;
- Allows beneficiaries to make decisions about the reconstruction of their own home, to prioritize elements that are most crucial to them, and for them to have greater control and autonomy over a project with a substantive long-term impact on their lives.



**8 Consider the long-term sustainability of the cash assistance**, including exit strategies for sustainable housing. Cash for rent is designed to be a temporary solution. UNHCR and affected populations may explore longer rental agreements. Consider the sustainability of cash for repairs if in exchange for a free-rent period: what after? Will refugees and others of concern be able to start a rent for an accommodation that is now better than before? Consider, in particular for those with tenure insecurity, inclusion in social protection programs (social housing programs if existing) and ways for beneficiaries to become self-reliant. Promote the use of cash for durable housing in all spectrums of situations: return, relocation and integration. Brazil is a good example where cash is given to the people we serve with an exit strategy in mind to facilitate local integration,

## Cash for durable housing in Kenya

In north-western Kenya, UNHCR provides refugee households with cash for shelter to ensure safe and dignified housing while reducing dependency on humanitarian assistance and addressing protection concerns. The project provides value for money as refugees build the permanent shelters at 11-14 per cent lower costs than using implementing partners. The refugees also build a compound of shelters consisting of 12 to 14 shelters in an average of 22 days. This approach allows refugees to spend the remaining money on home improvements or other basic needs, benefitting the local economy and improving social coexistence.

Refugees receive the cash through regular bank accounts, furthering their financial inclusion with access to banking services.

The project is based on an innovative approach that gives ownership of the construction process to individual refugee households, which closely collaborate with their compound neighbours. It relies on mutual support and accountability for the timely completion of the building phases, as funds disbursed in three instalments are only released when all households have simultaneously completed each of the building phases. The project also empowers refugees to deal

directly with private sector providers such as masons and suppliers of building materials, and pay for the goods and services, contributing to the local economy. Biometric identification during the verification process and the opening of bank accounts reduces fraud and improves transparency. For more detailed guidance and information, see UNHCR - Cash for Shelter in Kenya: A Field Experience and UNHCR - UNHCR/CDA: Effects of Cash on Social Cohesion in Kalobeyei Settlement, Kenya - A Do No Harm Assessment - Executive Summary

## IMPLEMENTATION

**1 Make cash for rent part of cash for basic needs**, when appropriate, and thus include it in the unrestricted and unconditional cash for basic needs and the minimum expenditure basket. Engage internally in the multi-functional team and externally with the other clusters and sectors from the onset of the response in the design of the cash transfer. The starting point for cash for rent is to make it part of an overall basic needs approach and include it in the unrestricted and unconditional cash for basic needs.

**2 Ensure proper calculation of CBI value for cash for repair and/or construction**, based on precise design and related Bill of Quantity (BoQ) that need to be explained to the beneficiaries if self-implemented. UNHCR promotes unrestricted and unconditional cash. Only if needed to achieve the programme objectives, use conditions or restrictions but consider thoroughly the cost implications of such time-consuming and costly approach. Moreover, some

skilled labour may be required to support the beneficiaries, and contractors and/or vendors who could ease the transport of materials and some specific jobs, including supervision of the construction. This shall be ensured by UNHCR and its partners as an addition to the overall cash value provided to beneficiaries.

**3 Conditional cash assistance may be implemented specifically to bring about refinement for cash for repair and new construction**. Ensuring minimum standard shelter design, improving construction techniques and protecting structural integrity.

**4 Consider a hybrid approach, between cash and in-kind assistance**, specifically during the emergency and beginning of the project may ensure a minimum standard of construction through guarantying the availability of certain tools and materials.

### Including rent in the Minimum Expenditure Basket (MEB) in Egypt

UNHCR took a multi-sector approach to market assessment in order to calculate the MEB. The rent portion is based on median Egypt Vulnerability Assessment (EVAR) reported expenditures on rent from the Syrian population for occupancy types based on household size. While an additional cross check was conducted via five brokers from locations with high concentration of refugees, EVAR data was seen to be more

accurate and valid. The variance is mostly due to rental costs being calculated on the basis of economy of scale. For example, if a single person lives in an apartment with a monthly rent of 500 EGP the per capita rent is 500 EGP. If two people share an apartment for a monthly rent of 900 EGP, the per capita rent is 450 EGP. The prices for gas for cooking, electricity and water were also considered. The price for electricity is based on the

minimum consumption of an average household size with the following estimated use for the lights, refrigerator, washing machine, fan, blender and mobile phone charging provided by the Ministry of Electricity. The cost of water is based on the average contribution of a household share for water and cross checked with the Ministry of Water Resources.



Former refugee in Tanzania, returns in Burundi and uses UNHCR cash grant to purchase plot of land and build her own house.  
© UNHCR/ Samuel Otieno/ October 2023

## Cash for Shelter Reconstruction and Repair in South Wollo, Ethiopia

South Wollo zone was one of the war prone areas during the conflict in 2021 in Ethiopia. DRMO, representing local authorities, has reported that 2,265 houses were damaged partially and 467 were fully damaged. UNHCR, in collaboration with South Wollo local authorities responded to the housing reconstruction/repair needs in the most affected woredas (Kelala, Delanta, Jamma, Woreilu, and Worebabo) and supported IDPs living within the community to improve their living conditions through cash-

based interventions (CBI). Given the huge number of people in need, priority was given to the most vulnerable households with the Shelter Cluster established criteria. 440 vulnerable IDP households in Kelala received ETB 6,300 through bank account transfers in April 2022 aiming to help beneficiaries to pay for rent and other domestic items. In addition, 148 vulnerable households in the other woredas (Delanta, Jamma, Woreilu and Worebao) received shelter construction kits in-kind, and cash for labour and

transportation costs. Construction activities are ongoing: Cash recipients have completed repairs of their houses. Some recipients have started reconstruction their fully damaged houses. Progress differs from one house to another. However, most of the cash recipients with fully damaged houses are awaiting the end of the farming season before reconstructing their houses.

## MONITORING

**1 Monitor to ensure tracking and quality control process.** Conduct regular post-distribution monitoring (PDM) using the UNHCR corporate PDM tool or others. To have a full picture of whether shelter and protection outcomes were met, intention and expenditure surveys in addition to PDMs may be conducted on a representative sample size of the targeted beneficiaries.

**2 Monitor the quality of the construction and repair** through technical experts, either through partners or UNHCR directly.

**3 Monitor cash for rent** through the PDM including the use of cash for rent, eviction and potential negative coping mechanism, such as moving to poorer living conditions due to the lack of funds.

**4 Conduct market monitoring** (or receive market monitoring analysis from partners) throughout the programmes, tracking changes in cost, impact on the host community and any detrimental impact on the environment.

### Monitoring cash to mitigate socio-economic impacts of COVID in Malaysia

In Malaysia, UNHCR provided urgent cash assistance to mitigate the socio-economic impacts of COVID, which hit hard urban refugees globally. Some 80% of the cash recipients experienced loss of income during the movement control order in Malaysia due to COVID. 85% of respondents received the cash in time to meet their most urgent essential needs, with food, rent and utilities being the top expenditures. More than 30% felt that UNHCR's cash assistance had significantly improved their living conditions while over 60% highlighted that cash assistance had reduced their feelings of stress.

## Financial and Social Sustainability

Rental assistance is designed to be a temporary solution for assisting vulnerable populations with access to housing. Normally people in need of rental assistance should be referred to the MPCA and only in exceptional cases, we should do separate rental assistance. Concern exists around the sustainability of such programmes for displaced people who often face additional challenges with integrating in social housing systems or with having the right to work. Where vulnerable displaced people are unable to access social protection, UNHCR may pursue opportunities of alignment of humanitarian assistance

(applying the same rules, transfer value, conditions) to social protection systems<sup>8</sup>. Cash assistance in particular can also enhance refugees' opportunities for financial inclusion<sup>9</sup>.

The risk of dependency is present. As far as possible, shelter officers should look to advocate for support programming to help people become more self-reliant, access their rights to housing, and resolve any tenure issues that could negatively do them further harm.

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 8. [UNHCR - Aligning Humanitarian Cash Assistance with National Social Safety Nets in Refugee Settings - Key Considerations and Learning](#)

9. [UNHCR - Digital payments to refugees – A pathway towards financial inclusion](#)

Technical assistance could include listing available public housing programmes and individuals’ rights, eligibility criteria, and requirements to participate in such programmes. Opportunities for establishing micro-finance, revolving funds, and access to credit

can be further explored with development housing actors. Strong advocacy with national government may be required to ensure that beneficiaries are eligible for such housing programs.

## Environmental Sustainability

The use and management of natural resources, and the resulting impact on the local environment should be carefully considered. This is specifically the case for conditional and restricted cash assistance for repair and new construction. The use of locally available materials and building practices should be

encouraged as well as support to locally sustainable supply chains, and to encourage and engage in replanting of building materials. It will be important to consider ways to increase security of tenure since this can contribute towards the protection of the local environment through long-term considerations.

### Mobile money for durable housing in Ghana

In Ghana, UNHCR provides refugees and others of concern with conditional mobile money to ensure durable housing in the settlements. The refugees will directly engage the services of skilled labor (masons and carpenters) within the refugee population to do the actual construction of the shelter units, under the overall guidance and supervision of the Shelter Officer, and with support from the Refugee Shelter Committee.

UNHCR conducted a market assessment that confirmed a competitive market with sufficient quality, quantity and access. The beneficiaries will also engage themselves in the shelter construction digging the foundation; carrying sand, water and cement for blocks moulding; fetching wood from the warehouse to the construction site and roofing sheets from the warehouse to the construction site; and collecting sand from the central point in the camp to the construction site and molded blocks for the mason during laying of blocks. The durability of the houses is estimated to be 25-30 years.

### Shifting from in-kind CRIs to cash for repair in Jordan: Lessons Learned

Jordan has pursued a shift from general in-kind assistance and particularly core relief items to cash assistance for rent and repair since 2018. The challenges in this process included:

- Increased dependency on humanitarian assistance especially in shelter repair
- Unstoppable deterioration of shelters
- Limited accessibility to shelter repair materials with limited market capacities
- Shelter adequacy
- The priorities moving forward include:
- To strategically revisit the provided assistance in terms of modality and type (livelihoods opportunities and diversifying monetized assistance)
- Contextualize shelter repair in terms of design and used material
- Promote self-repair in camps, paving the path for comprehensive repairs, investing and utilizing the skills of refugees
- Build the capacity of the camps’ market to support the self-repairs approach.

# Annex

## Good Practices in Cash for Shelter

### 2024

# Cash for Shelter Rehabilitation in Kenya

## Increasing cost-efficiency, financial inclusion, and social cohesion

### 1. CONTEXT

In north-western Kenya, UNHCR has been providing refugees with cash for shelter to ensure safe and dignified housing while reducing dependency on humanitarian assistance and addressing protection concerns. The project, which started in 2017, has provided refugees great value for money as refugees build the permanent shelters at a lower cost than it was previously done by the partners. The refugees can now build a compound of shelters consisting of 12 to 14 shelters in an average of 22 days. This efficient and effective use of funds allowed refugees to spend the remaining money on home improvements or other basic needs, benefitting the local economy, improving their socio-economic situation and promoting peaceful coexistence with the host community.

Vulnerable refugees receive the cash through regular bank accounts, allowing financial inclusion with access to different banking services. The project is based on an innovative approach that gives ownership of the construction process to individual refugee households and ensures that they closely collaborate with their compound neighbors. It relies mainly on mutual trust, support, and accountability for the timely completion of the building phases, as funds are disbursed in three instalments and only released when all households have simultaneously completed each of the building phases.

The project also empowers refugees to deal directly with private sector providers such as masons and suppliers of building materials, and pay directly for the goods and services, thereby contributing to the local economy. To ensure greater accountability, biometric identification is performed during the verification process and the opening of bank

accounts which reduces fraud and improves transparency.

Since its inception, **5,031 households (25,788 refugees)** have been reached by cash for shelter creating 7,175 shelter units.

### 2. ACTION TAKEN

Refugees receive from UNHCR unrestricted cash grants for building materials and labour, as well as water supply due to scarcity in this semi-arid region. The heads of household hire masons among the refugee and host communities.

Compound Construction Committees (CCC) are formed to support the execution of the project. They ensure that the neighbours are keeping track of each other's progress to achieve the simultaneous completion of the building phases of the compound permanent shelters. The committee also facilitates the joint bulk purchase and payment of construction materials by households, placing orders and calculating the individual shares. They also ensure the security of the construction materials purchased and facilitate the contracting of labour. Committee members also manage the water resources provided by UNHCR and facilitate the meetings of beneficiaries, UNHCR, and Partners staff.

UNHCR and partners provide training of the heads of household and the CCC members on the construction process including building phases, materials required, bulk ordering, paying with debit cards through a point of sale (PoS), contracting masons, and understanding the role of supervising partner and UNHCR shelter officers. Refugee families also benefit from regular technical supervision and monitoring of the construction work by UNHCR shelter experts.





*Kenya: aerial view of permanent houses constructed through UNHCR's CBI for Shelter Programme in Kalobeyei village.*

©UNHCR/ Samuel Otieno / December 2020

Beneficiaries are hosted in makeshift shelters or hosted by relatives during the construction process in collaboration with neighbourhood leaders. Beneficiaries with specific needs are provided with additional support. The banking platform is made available to all UN and NGO partners so that they can channel cash assistance to refugees using the UNHCR-procured debit card with minimal overhead.

### 3. KEY TAKEAWAYS

#### **Management buy-in and support are key to project success.**

One of the key elements of the success of this project is management support and the strength of UNHCR's multi-functional team including such sectors as cash, field, protection and shelter. Each unit has contributed to the successful implementation which includes the market assessment and monitoring, household verification, protection considerations, and identification and verification of beneficiaries.

#### **Community ownership and financial inclusion.**

Financial inclusion of the refugees is a direct result of the project as they are provided with a bank account, a debit card, and mobile phone banking with which they can pay the suppliers of building materials as

well as transfer or withdraw cash to pay the masons. They also have access to other banking services such as loans. Refugees have access to Equitel, a mobile phone-based money transfer, as their mobile phone SIM cards are connected to their bank accounts. Some refugees use Equitel to pay the masons.

#### **Shelter implementation through cash has created more value for money.**

Maximizing the impact of donor funds, the Cash for Shelter project provides value for money. When compared with the same type of shelter units built by implementing partners, the refugee households who finished the first buildings were able to save an average of 9,000 Kenyan Shillings (about 90 US\$ at the time). This represents a saving of 11-14 percent of the total cost. Refugees manage to pay a lower price compared to the market price for some of the materials as they place bulk orders at the compound level, as recommended by UNHCR. Suppliers manage to lower the prices because they are paid immediately and do not have to buy on credit certain materials such as quarry stones and gravels. As a result of the efficient use of funds, refugee families can fund some home improvements, like laying cement floor, or use the remaining funds for other basic needs, benefitting local traders and improving social coexistence.

# Cash for Shelter Rehabilitation in Ethiopia

## Promoting community ownership and financial inclusion

### 1. CONTEXT

Internal displacement has increased in the past couple of years in Ethiopia. The IDP population grew from 1.8 million IDPs in 2020 to 4.3 million in June 2023, according to IOM Displacement Tracking Matrix (DTM,) with 3.2 million IDP returnees. Despite these internal challenges, Ethiopia has consistently maintained an ‘open door’ policy to refugees and asylum-seekers and has a long history of hosting refugees. Conflicts in neighboring Sudan and Somalia has led to the arrival of close to 137,000 people in 2023, with refugee numbers reaching almost over 1 million people across the country. To date, UNHCR is supporting over 6 million persons in Ethiopia with around 81% IDPs and 19% refugees.

In the past, the shelter intervention in Ethiopia was done through the provision of in-kind shelter materials, relying on the technical expertise of partners to physically carry out the maintenance and construction work.

Since 2018, when a pilot on the use of cash for the rehabilitation of shelter was successfully implemented in Jijiga refugee camps, cash distribution was considered an appropriate option for the provision of shelter. Cash assistance empowers refugees to determine their own needs and the best way of meeting them. It also gives an opportunity to other refugees to contribute their expertise and unique touches to the construction of houses in accordance with community norms

### 2. ACTION TAKEN

In 2021, the Sub-office in Asossa also successfully piloted CBI for the provision of shelter solutions and it was well-accepted and the preferred way of implementation by the beneficiaries. In addition to promoting ownership of the refugees, providing cash to the beneficiaries was faster allowing refugees to begin construction as soon as the materials and tools were available.

UNHCR, along with its government counterpart, the Refugee and Returnee Service (RRS), the Refugee representative committee (Refugee Central Committee: RCC), and the shelter implementing partner have jointly implemented the cash for shelter programme. The beneficiaries of the project were among the most vulnerable refugee households whose shelters were severely damaged and required substantial maintenance and/or construction undertakings. Priority was given to female-headed households, elderly, persons with specific needs, those economically vulnerable households that were unable to finish the house due to various factors.

The disbursement was done through the Commercial Bank of Ethiopia (CBE) and the cash disbursement was done in three installments to ensure proper monitoring of the progress. The transfer value was based on the cost of local construction materials, transportation, water for construction, and labor. A majority of the beneficiaries opened a bank account where assistance were provided. Allowing beneficiaries to open their bank accounts with



Commercial Bank of Ethiopia (CBE) has created the opportunity for financial inclusion even beyond the project duration. It has also increased the sense of ownership, greater control of their financial resource and resulted to high level of satisfaction among the beneficiaries.

To ensure an accountable implementation of the program, beneficiaries were involved through consultation and sensitisation sessions organised by the shelter partner, in collaboration with UNHCR and the government counterpart. Clear complaint and feedback mechanisms were established to allow beneficiaries and any other person or organization involved in the program to share opinion, feedback, questions, and suggestion. Partner staff provided technical support to the beneficiaries and monitored the progress of the project in all stages. Findings of the post-distribution monitoring were shared with

relevant stakeholders to feed into the next response planning.

In 2022, the programme was expanded and has included cash for rent. In total, 5,020 households (24,333 individuals) have benefited from both cash assistance. In 2023, the cash for shelter component was provided to 304 households.

In 2023, Melkadida Sub-office similarly launched a cash for shelter initiative for 509 refugees, selected for their acute need. A joint committee ensured fair beneficiary selection and ANE, with UNHCR, ensured material provision. The innovative approach allowed beneficiaries to manage the building process and fostered community interactions. Unlike the experience in the Assosa region, the Melkadida initiative, disbursed funds via Shabella Bank (under their mobile money platform “**HelloCash**” in one

installment post-construction. Nonetheless, echoing majority of the outcomes It ensured proper construction and maintenance, engaging refugees directly with builders and offering employment to skilled refugees, effectively intertwining empowerment with community development.

### 3. KEY TAKEAWAYS

#### **Cash allows non-beneficiaries to also benefit from the project.**

During an assessment conducted prior to the intervention's pilot implementation, it was discovered that none of the selected refugee households possessed the necessary skills, mostly carpentry, to carry out the planned maintenance activities in their respective shelters. However, some refugees in the camps had carpentry skills that could be tapped to perform the needed labour work. As a result, the budget for shelter construction/maintenance was adjusted to include the cost of labour work benefitting indirectly other refugees.

#### **Working together contributes to social cohesion and reduces competition.**

The same assessment revealed that most refugee beneficiaries have very limited access to the market where they can obtain enough construction materials of good quality. Individual efforts of refugees to procure locally available construction materials such as grass, wooden poles, and bamboo frequently trigger protection risks and pose a threat to environmental protection programs, affecting peaceful coexistences between refugees and host communities. As a result, beneficiaries were divided into groups. Such grouping approach was used for procurement of materials in the market to limit competition and promote social cohesion. This approach helped the beneficiaries to work collectively, encouraging members to finish their shelter construction on-time.

#### **Cash allows for more choices, flexibility and social cohesion.**

The shelter assistance was first provided through vouchers in Jijiga and it was found to be time consuming. Moreover, the quality of the shelter materials was compromised as the beneficiaries had to deal only with few selected suppliers. In 2019, UNHCR implemented cash-in-hand distribution for shelter assistance which later evolved to direct deposit to the beneficiaries' bank accounts. The shift resulted in more choices and freedom among the beneficiaries around where, how and when to access the shelter materials.

#### **Cash empowers beneficiary and facilitates financial inclusion.**

Around 88% of the refugees registered with Commercial Bank of Ethiopia claimed to have bank accounts for the first time. This modality introduced a greater sense of ownership and increased satisfaction among the beneficiaries. Almost every beneficiary of the programme expressed intention to use their CBE Bank accounts for saving, withdrawal and/ or other financial activities.

# Cash for Shelter and Housing in Ukraine

## Improving efficiency, accountability, and flexibility

### 1. CONTEXT

Since the start of the international armed conflict in February 2022, UNHCR Ukraine expanded the scale and coverage of programmes with offices and field presence in ten locations across the country. All aspects of life in Ukraine have been impacted by the war which has caused significant displacement both within and out of Ukraine. The war has created a housing crisis due to the scale of the destruction and the displacement. The total cost of damage to the housing sector is estimated to be over US\$62 billion affecting 1.535 million housing units including multifamily apartments, single-family houses and dormitories. The most damaged areas are Donetsk, Kharkivska, Luhanska, Kyivska, and Mykolaivska oblasts.[1]

In addition to war-related housing damage, the destruction of the Kakhovka Dam on 6th June 2023 caused additional damage estimated at US\$1.101 billion. Around 37,012 residential units were impacted by the flooding, 15% of which damaged beyond repair.

To meet the needs in the shelter and housing sector, UNHCR is delivering assistance through a multi-track approach and a key modality is sectoral cash. At present, there are three activities that use cash; rental market initiative, repair of houses and support to hosting families.

### 2. ACTION TAKEN

#### Rental Market Initiative.

The Rental Market Initiative aims to assist families to move out of the collective sites and consists of a holistic package of services including legal support for security of tenure, enforcement of minimum housing standards and protection. In 2023, UNHCR provided assistance to 780 families in 9 regions and aims to reach a further 1,450 HHs in 2024. The financial package is determined through a Rental Market Assessment at regional level. UNHCR manages all payments directly using Digital Wallet as the preferred payment method. Alternative payment methods, Bank transfer or Western Union, are offered only in exceptional cases where beneficiaries lack smartphones or are unable to use them. Cash

Item	What is Included	Formula used to calculate the amount covered in the programme	Condition for payment
<b>1st Rental tranche</b>	1-month deposit + 1 month of rental and utilities fees	2 month's rent + 1 month of utility bills as per winter (Oct-March) or summer months (April-September). Deposit doesn't include bills.	After beneficiary registration and upon signature of the rental contract
<b>2nd Rental tranche</b>	5 months of rental and utilities fees	5 month's rent + 5 months of utility bills as per winter (Oct-March) or summer months (April-September).	Monitoring visit at the rented accommodation 1 month after payment of 1st tranche
<b>3rd Rental tranche (only exceptions)</b>	3 months of rent at 50%	50% of 3 month's rent (without utility bills).	Monitoring visit at the rented accommodation 1-2 months after payment of 2nd tranche



*Ukraine: forcibly displaced family supported by UNHCR and NGO partner Medair to find an apartment and sign the rental agreement, as well as cash assistance for the rent. © UNHCR/ Denys Kovalskyi/ December 2023*

### **Assistance for Shelter Repairs.**

UNHCR supports the repair of war-damaged houses using a mixed modality of contractor led, distribution of materials and cash. Where possible, households can choose themselves which modality fits best to their situation.

In 2023, UNHCR provided cash assistance for house repairs to 2,909 HHs (4,612 people) and plans to target at least 669 HHs in 2024 at an average cost of \$2,250 per repair. The repair costs are calculated after a full technical assessment documented with Bills of Quantities (BOQs). A single tranche is provided for house repairs with a value below \$1,500

while two tranches are provided for repairs above \$1,500, with the first transfer covering half of the total cost. The second tranche is conditional and released when at least 40% of repair works have been completed.

### **Cash for Utilities.**

As part of its collaboration with the Government of Ukraine, UNHCR supports a Cash for Utilities program named “Prykhystok,” aimed at covering three months of utility expenses. This initiative is designed for citizens who own residential premises and host internally displaced persons (IDPs) in these premises free of charge. UNHCR has provided cash for utilities

assistance to the families hosting IDPs will be the compensation of 14,77 UAH per day per number of IDP hosted by each family. Cash for utilities modality was agreed during the bilateral meetings with the MCTDU (Ministry of Communities and Territories Development of Ukraine) technical focal points and UNHCR. In 2022, UNHCR supported 39,773 households for hosting IDPs under this programme. In 2024, UNHCR will provide financial support on a monthly basis, for a period of 4 to 5 months to an average of 90,000 families hosting approximately 250,000 internally displaced people in their homes.

### 3. KEY TAKEAWAYS

#### **Success in cash assistance for repair is attributed to the participation of people as partners in the design, and implementation.**

Giving the beneficiaries the freedom to choose the modality of assistance delivery allowed for a higher level of success. UNHCR in Ukraine uses an array of activities to ensure that those most in need get the service that is right for them and their circumstances. This people-orientated approach increases the impact of the intervention and empowers self-recovery.

#### **Success in cash for repair implementation is highly attributed to strong collaboration of UNHCR and partner teams.**

The processes related to household (HH) selection and the technical verification of Bill of Quantities (BoQs) are carried out jointly by Partner staff and UNHCR field teams. To ensure the accuracy and completeness of the data, a systematic approach of sampling 10% of the HHs is carried out. To conduct a comprehensive assessment, joint field visits are organized. During these visits, representatives from

the partner and UNHCR collaboratively inspect the selected households with the primary objective of verifying accuracy of the BoQs. This verification process aims to confirm that the BoQs accurately reflect the required specifications, materials, and quantities outlined in the project plans and standards.

By implementing this approach, the reliability of the data is ensured, discrepancies or issues are identified, and a high level of quality control throughout the implementation is maintained. The involvement of UNHCR field teams, adds an extra layer of expertise and support to enhance the project's overall success and accuracy.

#### **Digital payments improve efficiency, higher accountability and greater flexibility.**

The use of digital wallet modality allowed for quick registration and cash out including real time tracking and reconciliation enabling beneficiaries to receive assistance in a timely manner. The system also reduced the chances of errors in data and provided the ability to track beneficiaries' app downloads and cash withdrawals in real time. This has provided valuable data for monitoring and allowed faster turn-around for reprocessing payments in case of technical glitches and data issues. Beneficiaries have reported finding it easy to install the app and register in digital wallet, indicating smooth onboarding process. It has also provided greater flexibility for beneficiaries, reducing the reliance of the physical infrastructure and the freedom to choose where to withdraw money from.

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[1] World Bank; Government of Ukraine; European Union; United Nations. Ukraine - Third Rapid Damage and Needs Assessment (RDNA3) February 2022 – December 2023 (English). Washington, D.C. : World Bank Group. <https://documents.worldbank.org/en/publication/documents-reports/documentdetail/099021324115085807/p1801741bea12c012189ca16d95d8c2556a>