



POLICY BRIEF

on results of the survey on attitudes of internally displaced persons towards state targeted assistance and its possible redirection on development of long-term solutions



INTRO- DUCTION



His name is Dmytro, he is under 35 years old. Currently, he lives in one of the cities of Odesa region. He moved from Donetsk region and still does not have his own dwelling at the new place of residence. He and his minor child receive targeted assistance, and also Dmytro works. The total income of Dmytro's family is from 5 000 to 10 000 hryvnias per month, and almost 50% is spent on utilities. Dmytro needs help from the state in solving the housing problem and is ready to refuse targeted assistance to re-allocate it to a more effective state housing program.



Galina lives in Kirovohrad region with her child. She was forced to move from Donetsk region and got an unofficial job. She does not have her own dwelling at her new place of residence and counts on the support of the state in this matter. She is about 40 years old and has a minor child who receives targeted assistance from the state. The total income of her family is from 1 000 to 5 000 hryvnias, and almost 70% of income is spent on utilities. Galina's family is in dire need of targeted assistance, as it significantly complements their budget. She would never give it up because she does not trust the state and believes that money will not be redirected for other long-term assistance for internally displaced persons.

Names in the stories are fictitious, but the stories are real. These are people, who have moved from the East of Ukraine and today face everyday problems and build a new life. The description of the heroes is based on questionnaires they filled in for this research.

The problem of housing for internally displaced persons (IDP) is still one of the most painful, and it has not been solved yet. Efforts of the Ukrainian government on assisting IDPs in resolving housing problems have been developing in two directions:

Programs aimed at providing IDPs with accommodation in the long run, in particular, programs of subsidized loans for IDPs and participants of the Anti-Terrorist Operation (ATO) / Joint Forces Operation (JFO) and others.

Monthly targeted assistance to cover living expenses, including utility costs.

A peculiarity of long-term solutions in providing IDPs with housing is their diversity, which depends on the situation of a person and his/her financial capacity.

For vulnerable categories of IDPs it is envisaged:

Social housing, according to the Law of Ukraine "On Social Housing", the Resolution of the Cabinet of Ministers of Ukraine (RCMU) No. 682, dated 23 July 2008;

Temporary housing, according to the RCMU No. 582, dated 26 June 2019, and the RCMU No. 769, dated 4 October 2017;

For solvent, employable, IDPs, the following state programs are available:

Provision of a subsidized long-term state loan for IDPs and participants of ATO and/or JFO for purchasing of accommodation, approved by the Resolution of the Cabinet of Ministers of Ukraine No. 980, dated 27 November 2019;

Support for individual housing construction in a village - "Own House", which provides long-term loans to individuals who build houses in rural areas (approved by the Resolution of the Cabinet of Ministers of Ukraine No. 1597, dated 5 October 1998).

Provision of monetary compensation for the purchase of accommodation (subvention from the state budget) for IDPs who defended the independence, sovereignty and territorial integrity of Ukraine, approved by the Resolution of the Cabinet of Ministers of Ukraine No. 280, dated 18 April 2018;

The "Affordable Housing", approved by the Resolution of the Cabinet of Ministers of Ukraine No. 819, dated 10 October 2018;

There are also local (region and city) housing programs for certain categories of the population, which include IDPs. Hence, in Odesa, Kirovohrad, Mykolaiv and Kherson regions, there are mandated regional housing programs, which cover IDPs:

1 Housing program in Odesa region for IDPs, participants of the Anti-Terrorist Operation (ATO) and/or participants of the Joint Forces Operation (JFO) for 2020-2024;

2 Youth housing program for 2018-2022 (Kirovohrad region);

3 Complex social and economic program on housing for citizens in Mykolaiv region for 2018-2022;

4 Regional program on construction (purchase) of affordable housing in Kherson region for 2018 - 2022.

On the other hand, there is only one monthly targeted assistance scheme that is covering IDPs accommodation costs. It was introduced by the Resolution of the Cabinet of Ministers of Ukraine No. 505, dated 1 October 2014, and it is targeted at all categories of IDPs who moved from the temporarily occupied territories in Donetsk and Luhansk regions, the Autonomous Republic of Crimea and Sevastopol, who moved from settlements where public authorities are temporarily not exercising their powers and settlements located on the contact line, as well as at internally displaced persons

whose houses were destroyed or became uninhabitable as a result of the anti-terrorist operation or measures applied to ensure national security and defense, repel and deter armed aggression of the Russian Federation and their children who were born after the start of the anti-terrorist operation, temporary occupation or measures to ensure national security and defense, repel and deter armed aggression of the Russian Federation. The purpose of this program is to help "here and now". It aims to address the short-term challenge of mitigating a social issue on IDP housing.

The 2020 budget does not envisage funds for the subsidized loan program; as the result, the acceptance of applications for participation in the latter has been stopped. Hence, at the state level it has been observed a withdrawal from provision of funding long-term solutions for resolving an IDP housing issue. National housing programs for certain categories of persons, including IDPs (servicepersons, orphans, etc.), as well as local loan programs funded from local and regional budgets, have continued to be maintained. For example, in Odesa region, the Housing Program for IDPs and ATO / JFO participants for 2020-2024 was adopted. However, the outlook of these programs are uncertain.

In 2020, the budget program “Provision of monthly targeted assistance to internally displaced persons to cover living expenses, including costs of housing and utilities” for the period of 2014-2019 has been maintained. The Ministry of Social Policy of Ukraine estimated that the amount of 16.1 billion hryvnias are needed to cover benefits under the budget program “Provision of monthly targeted assistance to internally displaced persons to cover living expenses, including housing and utilities” for the period 2014-2019, including 3 042.6 million hryvnias for 2019. Funding has been extended this year.

The amount paid to employable persons under this program remains unchanged and constitutes 442 hryvnias. This amount is fixed, i.e. the calculation is not based on other indicators, such as the subsistence minimum or the minimum wage.

For certain categories of IDPs the amount of payments is higher. For example, there is a fixed amount of 1 000 hryvnias for full-time students and retirees; and for persons with disability, depending on the disability group, it is 100-130% of the subsistence minimum for persons who are incapacitated for work (as of 1 January 2020, the subsistence minimum for persons who are incapacitated for work is 1 638 hryvnias).

In this case, the total amount of family benefits is calculated as a sum of benefits received per each family member, which may not exceed 3 000 hryvnias; for a family with a person with disability or a child with disability, it is 3 400 hryvnias; for a large family, it is 5 000 hryvnias. The total amount of assistance per family, which includes two or more persons with disabilities (children with disabilities), is not limited.

Fixing the absolute amount of benefits for all persons, except for people with disabilities, and having an upper limit on this absolute amount for families means that the amount of benefits does not change, while purchasing power is reduced, and, therefore, the social significance of these benefits decreases. The average monthly family expenses per month include rent, food, medical services and medicine, education, transportation, building needs, clothing and footwear. Targeted payments do not play a decisive role in covering these expenses for families whose members work, and their share in the budget of IDP families has been shortening.

Nonetheless, payment of these amounts remains a constant burden on the state budget, and it is spent on daily support. At the same time, there is no solution to the problem of providing IDPs with housing in the long run. Thus, spendings on this program does not address the issue. Therefore, there is an urgent need to develop new long-term solutions for IDPs and to find alternative sources for funding them.





METHODOLOGY RESEARCH



The purpose of this study is to assess attitudes of IDPs towards targeted assistance, its impact on financial security of families and willingness of employable IDPs to refuse targeted assistance in favor of introduction of long-term solutions, in particular, on housing.

The survey was conducted in the South of Ukraine (Odesa, Mykolaiv, Kherson and Kirovohrad region) through a survey filled out by IDPs (a questionnaire answered directly and online).

382

With a 95% confidence probability and an error of 5%, the sample constituted 382 respondents.

Taking into account the geographical distribution of respondents, the distribution by regions was the following:

206

Odesa region

46

Mykolaiv region

92

Kherson region

38

Kirovohrad region

The calculation is based on the IDP ratio in the region to the total population of IDPs in these four regions, the sample is divided similarly. Hence, 36 904 IDPs live in Odesa region, which is 54% of total population; 8 190 IDPs live in the Mykolaiv region, which is 12% of total population; 16 274 IDPs live in Kherson region, which is 24% of total population; 6 574 IDPs live in Kirovohrad region, which is 10% of total population.

As a result of the force majeure situation due to the pandemic caused by the outbreak of COVID-19, the collection of information through the IDP questionnaire was stopped in March 2020.

The total number of respondents reached was 233, which is 61% of the targeted number. Thereby, the confidence coefficient of this study is 85% with an error of 5%.



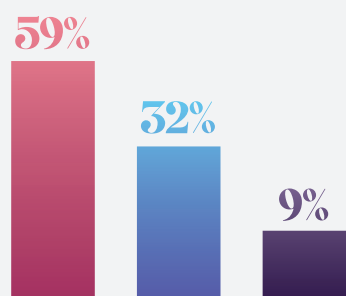
43% of IDPs
live in regional centers



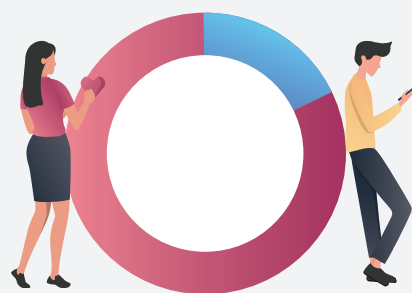
45% live in cities



13% of respondents
live in rural areas



Most of IDPs have moved from:
Donetsk region – 59%, 32% from Luhansk
region and 9% from the ARC



By gender:
82% of respondents were
women, 18% were men.

According to the employment affiliation, the largest percentage of respondents were employed workers (35%), another 21% were employed unofficially. 6% of respondents were private entrepreneurs. If we combine these three categories into one, which is employable persons, the share of such persons among the respondents was 62%. 11% of respondents said they were unemployed (causes of unemployment were not analysed in this study, so this percentage of respondents is not included into the category of employable persons). The rest of the respondents are retirees (16%), students (1%) and incapacitated persons (10%).

By age, the division of respondents was the following:





OUTCOMES

58% of respondents receive targeted assistance. 82% said that some of their family members with whom they live receive such assistance. The majority of recipients are children (under 18) – 60%, another 16% are persons with disability, 11% are retirees, 2% are incapacitated. 11% of IDPs receiving targeted assistance are employed.

The average monthly income of IDP families

40%

5000 – 10000 UAH

36%

1000 – 5000 UAH

29% of families spend 30-40% of their average monthly income on utilities (excluding rent), another 19% of families spend 20-30% of income.

10%

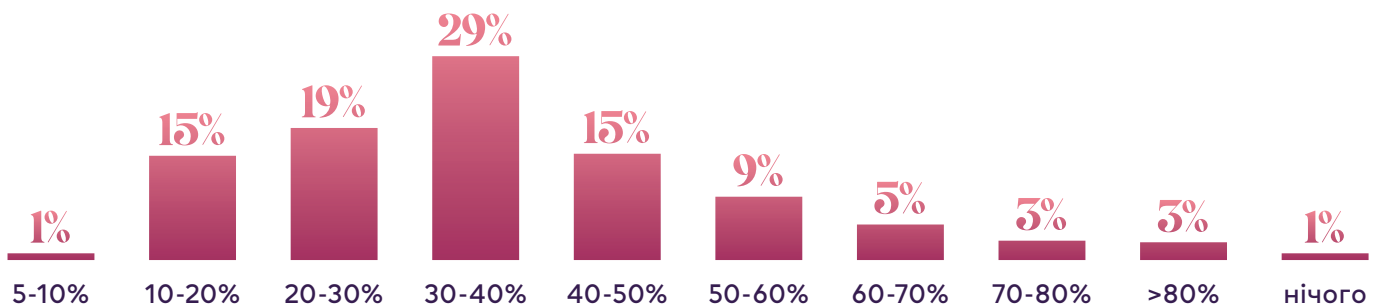
15000 – 20000 UAH

9%

10000 – 15000 UAH

15% of respondents indicated that expenses on utilities reach 40-50% of the total family income.

Percentage of utility costs out of the total family income



For IDPs, high utility costs are the main argument in favor of social benefits. In particular, 63% of surveyed IDPs said that these benefits were crucial for them, as they significantly supplemented their budget, and 4% of them even stated that these payments were their only source of income. 20% of respondents replied that these funds cover a part of family expenses, but they are not crucially needed. Another 13% said they did not feel supported by receiving such payments.

74%

of IDPs under no circumstances accept a possibility of voluntary withdrawal from targeted assistance in favor of funding for housing programs.

At the same time, 90% of respondents said that they do not have their own housing on the territory controlled by Ukraine, and 53% do not plan to return home. 94% need state assistance in solving the housing issue. Thus, although the need for targeted assistance persists, allocation of funds to meet this need does not reduce the severity of the issue of housing insecurity for IDPs.

Opportunities to release funds from the targeted assistance program and redirect these funds to the implementation of long-term solutions can be derived from the analysis of arguments made by IDPs to justify the need for targeted assistance.

60%

60% of respondents said they could not refuse targeted assistance because:

- it will significantly affect the family budget;
- without it, they will not be able to cover utility costs.

34%

Another 34% do not trust the government, therefore, they are convinced that these funds will not be spent for intended purposes.

15% of all respondents stated that they were ready to give up targeted assistance in favor of other programs, and, first of all, it should cover the accumulation of funds for the reconstruction of damaged/destroyed housing, as well as purchase of medicines for IDPs in need of immediate hospital treatment. 18% of them are willing to give up targeted assistance for repaying pension debts.



Thereby, currently about a quarter of IDPs are ready to give up targeted assistance completely if the released funds are used to solve the housing issue. This share could be increased by resolving certain financial problems faced by IDPs (primarily related to payment of utility costs), and by increasing confidence in government housing programs.

Position of employees of social protection bodies on the issue of targeted assistance for IDPs

It is worthwhile to compare the results of the survey of internally displaced persons with the position of social protection workers. **As a part of the study, 12 anonymous surveys of such employees were carried out.** Most of them believe that targeted assistance for employable persons in a fixed amount does not have a significant impact on the financial situation of employed IDPs. At the same time, it could be or is important for incapacitated IDPs. All social workers surveyed believe that IDPs are full-fledged members of the society, who have the same

rights and responsibilities as the rest of the population. All interviewed social workers believe that long-term decisions should be given priority over regular payments. **In particular, it is more appropriate to redirect funds for providing IDPs with housing,** for example, by compensating the value of destroyed property, or by providing cheap housing loans. At the same time, it would be appropriate to keep paying benefits for incapacitated IDPs, such as persons with disability of different disability groups.

Suggestions on possible redirection of the state aid for IDPs from targeted assistance to long-term housing programs

The need to redirect state budget funds from targeted assistance for IDPs to long-term programs to provide IDPs with housing is determined by two main considerations. Firstly, most IDPs do not plan to return to their places of residence even after the end of the armed conflict, and almost all IDPs need a solution to their

housing problem. Secondly, providing IDPs with housing is a long-term solution, as opposed to a short-term mitigation through targeted assistance, the effectiveness of which is decreasing and will be decreasing in the future. Thus, the transition to long-term solutions seems unalterable.

The transition may encounter resistance from IDPs, most of whom consider targeted assistance to be of crucial importance and do not trust in state interventions. Therefore, it is proposed to apply the transition to long-term programs gradually. The following steps are suggested for its implementation:

1

Support to long-term programs, as an alternative to targeted assistance. Proving IDPs with a choice either of participating in a long-term program or continuing to receive targeted assistance.

2

With the implementation of targeted assistance programs, the coverage of IDPs shall increase, while reducing the share of employable IDPs receiving targeted assistance.

At this stage, the early users of the program should receive housing under a long-term program, which will lead to a reduction in the number of homeless IDPs and a gradual reduction in costs.

3

Once all, or the vast majority, of IDPs are engaged in a long-term assistance program, the targeted assistance program for employable IDPs should be phased out.

4

With the reduction of expenditures on housing programs and targeted assistance for employable IDPs, the released funds should be redirected to provide housing for incapacitated IDPs, who will remain unsecured.

5

For IDPs, who due to one or another reason will not be provided with housing after scaling back the targeted assistance program, other social support measures should be developed taking into account their recurring needs.



The vast majority of IDPs do not have their own housing in the territory controlled by Ukraine and do not plan to return home after the end of events in Eastern Ukraine.

The provision of housing to IDPs is an acute social problem.

There are two possible ways to solve this problem. **The short-term solution** is targeted financial assistance. **The long-term solution** is provision of IDPs with their own housing with the state aid. The effectiveness of the short-term solution declines over time. This solution prolongs the problem, but not solves it. Therefore, the long-term solution is the only alternative. The state's priority should be to redirect funds to the long-term solution.

Most IDPs are not ready to give up targeted assistance in favor of a long-term solution. This is due to both objective (significance of the assistance for the family budget) and subjective (distrust in state interventions: low efficiency of housing programs, insufficient funding, lack of social and temporary housing funds, lack of legislation on the state compensation for destroyed or damaged property, other) reasons.

It is advisable to start the transition from the short-term to the long-term solution gradually by breaking it into several phases. The beginning of the transition should be purely voluntary for IDPs.

The implementation of such transition will contribute to the gradual resolution of the problem of housing for IDPs, their integration into local communities, as well as will lead to a gradual reduction of state budget expenditures.

Legal assistance to internally displaced persons and community empowerment in Southern Ukraine

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