



Recommendations of National and International Humanitarian Actors to the Temporary Special Commission of the Verkhovna Rada of Ukraine on the Protection of Property and Non-property Rights of Internally Displaced Persons and Other Persons Affected by the Armed Aggression of the Russian Federation against Ukraine

We express our gratitude for the opportunity to refine the recommendations presented at the conference "Cash Assistance for Internally Displaced Persons," held on June 17, 2024, and organized by the Temporary Special Commission of the Verkhovna Rada of Ukraine on the Protection of Property and Non-property Rights of Internally Displaced Persons and Other Persons Affected by the Armed Aggression of the Russian Federation against Ukraine (hereinafter referred to as the Temporary Special Commission). We, national and international humanitarian organizations, providers of cash assistance, including the PeReHID Initiative, Caritas Ukraine, the Cash Assistance Working Group (CAWG), represented by the co-chair of the CAWG, the Ukrainian Red Cross Society, the Norwegian Refugee Council in Ukraine, the Collaborative Cash Delivery Network (CCD), the United Nations High Commissioner for Refugees (UNHCR), and the United Nations Children's Fund (UNICEF), offer our ongoing support.

We highly appreciate the cooperation between the Government of Ukraine and national and international organizations providing humanitarian cash assistance, as **it is essential for complementing both the humanitarian response and the Government's efforts in response to the full-scale invasion**, especially given the reduction in funding from international donors. Enhancing strategic interaction minimizes duplication, maximizes resource efficiency, and ensures that humanitarian cash payments effectively reach the most vulnerable populations in Ukraine.

We recognize that **Ukraine implements a comprehensive and extensive social protection system, which has been effectively adapted to the circumstances of the war and is aimed at addressing** a wide range of vulnerabilities throughout the life cycle, as well as risks such as displacement and disability caused by the conflict. Digital systems such as "Diia" and the Unified Information System of the Social Sphere (UISS) are exemplary examples of the advanced digitalization of the national social protection system in Ukraine.

We once again emphasize that **social expenditures are investments with social and economic returns**, where an additional 1% of GDP invested in social protection can yield almost double the economic return, enhance human capital through improved health and education outcomes, increase the employment rate, especially among women, people with disabilities, and other marginalized groups, positively impact the local economy through various channels and multiplier effects, stabilize or increase aggregate demand, especially during economic downturns.¹ **Thus, an adequate level of benefits, taking into account the level of inflation and poverty, as well as the timely provision of universal social**

payments,² are prerequisites for effective social protection.

These recommendations are provided at the request of Pavlo Frolov, a member of the Verkhovna Rada of Ukraine, Chairman of the Temporary Special Commission of the Verkhovna Rada of Ukraine on the Protection of Property and Non-property Rights of Internally Displaced Persons and Other Persons Affected by the Armed Aggression of the Russian Federation against Ukraine:

I. Create a digital platform for identifying people in need of humanitarian assistance based on lists of beneficiaries of state social assistance programs

Since funding for multi-purpose cash assistance is unsustainable and has already decreased from USD 1.48 billion in 2022 to USD 643 million in 2024, national and international humanitarian organizations providing cash assistance should further focus their limited resources on the most vulnerable populations in Ukraine. To identify those who are economically poor and do not receive adequate state social assistance, **national and international humanitarian organizations need a digital platform that would allow them to verify the income and receipt of social assistance by potential beneficiaries.** This would enable national and international humanitarian organizations to focus on those who have insufficient or no income at all, as well as those who need assistance but do not receive adequate state social assistance. In doing so, a prerequisite for ensuring data protection is the explicit consent of beneficiaries for access to this data to ensure data protection.

This is due to the fact that **current legislation does not allow the exchange of personal data with national and international organizations providing humanitarian cash assistance.** Therefore, special memoranda of understanding must be concluded between the relevant ministries and national and international organizations providing humanitarian cash assistance, as well as regulations involving the relevant ministries, which takes a lot of time. Recent changes adopted by the Ministry of Social Policy ask applicants for permission to transfer relevant data for international organizations, donors, and foreign governments, while national and international non-organizational

¹ International Confederation of Trade Unions, Investments in Social Protection and Their Impact on Economic Growth, 2021, Link: https://www.ituc-csi.org/IMG/pdf/investments_in_social_protection_and_their_impacts_on_economic_growth.pdf

² Development Pathways, Hits and Misses: An Assessment of Targeting Effectiveness in Social Protection with Additional Analysis, 2020, Link: <https://www.developmentpathways.co.uk/publications/hit-and-miss-an-assessment-of-targeting-effectiveness-in-social-protection/> Also see SPIAC-B Joint Statement, Key Lessons from COVID-19 and Recommendations for Advancing Universal Social Protection, SPIAC-B, October 2021, Link: <https://www.social-protection.org/gimi/Media.action;jsessionid=Pggz8X8WCBfg-LXZadv54NI0f2Kakj6YPEIjvRTm2V1B-zOD7Orz!-765179005?id=18656> SPIAC-B includes the following organizations: ADB, IBRD, IMF, ILO, FAO, OECD, DESA UN, UNDP, UNESCO, UN-Habitat, UNICEF, UN Women, World Bank, WFP, WHO; Australia (DFAT), Belgium (MFA), European Commission (DEVCO; Directorate-General for Employment), Finland (MFA), France(MAS), Germany (BMZ, GIZ, KfW), Ireland (Irish Aid), Italy (MFA), Sweden (SIDA), United Kingdom (FCDO), and the United States (State Department).

organizations are not included in this list.³ Moreover, this applies to new applicants who apply in paper form. In addition, **the draft protection law does not take into account national and international non-governmental organizations.**

Legislative Recommendations	Operational Recommendations
<i>Inclusion of national humanitarian actors (national NGOs) in the draft data protection law, which is currently under consideration.⁴</i>	<i>Development of a digital platform that allows national and international participants in humanitarian cash assistance to obtain data on beneficiaries' incomes and social assistance with their consent, to focus humanitarian cash transfers on the most vulnerable populations.</i>
<i>Ministry of Social Policy, Ministry of Digital Transformation, Ministry of Reintegration, Ministry of Finance, Pension Fund, etc.</i>	

II. Provide humanitarian organizations with digital access to data on income and social benefits to identify priority groups of low-income populations

In a situation where humanitarian challenges are trying to meet Ukraine's needs and competing needs arising from other humanitarian crises around the world, global solidarity risks fatigue in this protracted crisis. Additional payments to national social assistance programs allow national and international humanitarian organizations to provide humanitarian cash assistance in a cost-effective manner consistent with the national social protection system. To make additional payments, **national and international organizations providing humanitarian cash assistance need to obtain beneficiary lists from the Government of Ukraine.** Currently, the provision of such lists requires a Cabinet of Ministers resolution and is provided on a case-by-case basis. To reduce costs, **national and international organizations providing humanitarian cash assistance could use a standardized memorandum of understanding that would facilitate the exchange of beneficiary lists.** At a later stage, **a digital platform** could be developed to generate beneficiary lists based on national social assistance programs, as well as demographic criteria such as large families, and other socio-economic criteria, such as

³ "I consent to the transfer (if necessary) of my personal data and confirm the consent of the individuals mentioned in this application to the transfer of their personal data to foreign governments, international organizations, and donor institutions for the purpose of receiving assistance (if possible) at their expense in accordance with the established legal procedure." Ministry of Social Policy, Order No. 230-N of May 6, 2024, 2024, link: <https://zakon.rada.gov.ua/laws/show/z0734-24#Text>

⁴ It should be noted that the draft "Law on Personal Data Protection" explicitly refers to the transfer of personal data to "foreign states" and "international organizations." Moreover, the title of Chapter VI mentions "the territory of foreign states," which may relate to the physical location of the IT infrastructure that stores personal data.

income level and the presence of persons with disabilities in the household. This would require amendments to **the national personal data protection legislation, as mentioned above.**

Legislative Recommendations	Operational Recommendations
<i>Adoption of the draft law on personal data protection to facilitate the exchange of beneficiary lists of national and local social assistance programs with national and international organizations providing humanitarian cash assistance.</i>	<i>Development of a standardized memorandum of understanding that facilitates the effective exchange of social assistance recipient lists with national and international humanitarian organizations providing cash assistance.</i>
	<i>Development of a digital platform that allows national and international providers of humanitarian cash assistance to access/create beneficiary lists based on national social assistance programs and additional demographic and socio-economic indicators.</i>
<i>Ministry of Social Policy, Ministry of Reintegration, Ministry of Digital Transformation, Ministry of Justice, etc.</i>	

III. **Development bilateral mechanisms for referral to humanitarian and social protection programs and a directory of social protection programs**

Due to the complexity and changing nature of national and local social protection programs, **national and international humanitarian organizations find it difficult to refer beneficiaries to the social protection system without the risk of providing inaccurate or outdated information about national and local social protection programs.** National and international humanitarian organizations providing cash assistance could benefit from such a directory to better align humanitarian programs with the national social protection system and develop standardized referral processes. Based on existing tools,⁵ we recommend developing **a comprehensive and publicly accessible directory of national and local social assistance, which will include eligibility criteria and benefits.**

Moreover, there are no **standardized processes for referring beneficiaries to national and local social assistance programs and social services to apply.** This could be integrated into the digital case management system version 1.0, currently

⁵ <https://www.msp.gov.ua/content/reestr-nadavachiv-socialnih-poslug.html>

supported by WFP and UNICEF. Thus, the digital case management tool could be continuously improved in terms of user-friendliness, completeness of registration, and connection to other relevant systems. The development of the directory and referral mechanisms should be carried out jointly with national and international humanitarian organizations to ensure long-term sustainability.

Legislative Recommendations	Operational Recommendations
<i>Development of legislation to create an official and comprehensive directory of national and local social assistance programs.</i>	<i>Development of an official and complete directory of national and local social assistance programs, which is regularly updated and accessible to the population of Ukraine, as well as national and international humanitarian organizations. Consider linking such a directory with a digital case management tool or social services directory currently under development.</i>
<i>Adoption of the draft law on personal data protection to facilitate close cooperation on beneficiary referrals between local social protection authorities and national and international humanitarian organizations.</i>	<i>Development of standardized referral processes when national and international humanitarian organizations refer beneficiaries to national and local social protection authorities for application processing.</i>
<i>Ministry of Digital Transformation, (local) Departments of Social Protection of the Population, Pension Fund of Ukraine, etc.</i>	

IV. Strengthen coordination with national and international humanitarian organizations at the national and local levels

Technical and operational coordination requires special resources at the national level, capable of providing a link between humanitarian response and various state systems and strategies. Maximizing effective coordination, comprehensive mapping, and information sharing will help identify coverage gaps and specific humanitarian cases that require cash assistance. There is an opportunity to strengthen coordination at the local level to better adapt to Ukraine's decentralized system.

At the local level, national entities (NGOs, public organizations, etc.) successfully align their activities with local social protection programs, coordinating with government institutions and social protection departments, facilitating referrals, and filling gaps in social services. However, this model of cooperation with local authorities has not yet become widespread and is not properly coordinated.

As emphasized at the conference, **regular interaction between the Government, the Cash Assistance Working Group, and national and international humanitarian organizations**

providing cash assistance allows for strengthening strategic and inclusive discussions. Enhancing this cooperation is crucial to facilitating the seamless transition of people affected by the war from initial humanitarian assistance to the social protection system while maintaining humanitarian space and mandate. This approach ensures that humanitarian efforts effectively complement government support and fill critical gaps in aid.

Legislative Recommendations	Operational Recommendations
	<i>Appointment of special government coordinators at the national and local levels to strengthen active cooperation with the Cash Assistance Working Group and national and international humanitarian organizations to intensify technical, operational, and strategic discussions.</i>
<i>Ministry of Social Policy, Ministry of Reintegration, Ministry of Digital Transformation, (local) social protection departments, etc.</i>	

V. Ensure reliable legislation that excludes humanitarian aid from taxation and other government revenue calculations

Addressing the legal and tax issues of both national and international humanitarian organizations and cash aid beneficiaries is critical to ensuring the effectiveness of humanitarian programs. Currently, **legal and tax regulation creates ambiguity in the understanding of the taxation of humanitarian cash transfers, creating barriers or bureaucratic requirements for the effective delivery of humanitarian assistance**, leading to an overreliance on in-kind support rather than cash payments, which do not always meet the diverse needs of beneficiaries. Moreover, **recipients of humanitarian assistance are concerned that receiving cash aid may deprive them of their right to social protection.**

Legislative Recommendations	Operational Recommendations
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<i>Adopt legislation that explicitly exempts all humanitarian aid - cash, in-kind, and services - from taxation. Ensure that this legislation remains in effect after the end of martial law.</i>	<i>Appointment of legal coordinators in relevant government agencies for technical interaction with the Cash Assistance Working Group on various legal and tax issues related to humanitarian cash assistance and its impact on national and international humanitarian organizations and beneficiaries.</i>
<i>Adoption of legislation ensuring that beneficiaries can receive humanitarian aid - in cash, in-kind, and services - without fear of losing full entitlement to state social benefits. Ensure that this legislation applies even after the end of martial law.</i>	<i>Collaborate with humanitarian organizations and relevant government coordination centers to develop clear legal frameworks and guidelines that align with humanitarian goals and mitigate negative impacts on beneficiaries and organizations.</i>
<i>Ministry of Finance, State Tax Authorities at national and regional levels, National Bank of Ukraine, Ministry of Social Policy, Ministry of Reintegration, Pension Fund of Ukraine, Ministry of Digital Transformation, etc.</i>	

We once again express our gratitude for the offer to provide recommendations to the Temporary Special Commission of the Verkhovna Rada of Ukraine on the protection of property and non-property rights of internally displaced persons and other persons affected by the armed aggression of the Russian Federation against Ukraine, and offer our continued support in addressing additional challenges to the national social protection system in these difficult times.

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