

# Cash and Shelter

*a 4 hour workshop on using  
Cash Transfer Programming  
for emergency and early recovery shelter*

# Aim

To provide guidance to programme managers, programme implementers and programme support staff when selecting cash as a potential response tool in emergency shelter programmes.



# Objectives

- Distinguish between different types of cash transfer as a tool for emergency shelter responses;
- Describe opportunities and risks in relation to implementing and monitoring cash transfers during the project management cycle;
- Outline key considerations for the assessment and analysis of cash as a possible tool for intervention;
- List the key stakeholders of a cash transfer component of an emergency shelter response;
- Describe key characteristics to consider when designing the cash transfer component of shelter operations.

*“Cash transfer is being considered because it is new and fashionable however it is not suitable for the shelter sector because of the high technical component needed.”*

*“It is not possible to implement cash transfer, as part of an emergency intervention, in contexts of conflict.”*

*“Cash is not effective for use in emergency shelter interventions.”*

*“It is more cost effective to meet shelter needs through cash than in-kind assistance.”*

*“Cash is more likely to lead to anti-social use than in-kind assistance.”*



# barriers to cash transfers as a tool for shelter responses

- ▣ perceptions
- ▣ donor reluctance
- ▣ gov't regulations
- ▣ capacities
- ▣ documentation





## Remember!!

Cash and vouchers are a modality for addressing needs and achieving objectives

Cash transfer is not a programme in itself

## So what do we mean by cash transfer?

“Cash interventions transfer resources to people by giving them cash or vouchers” (ODI Good Practice Review)

# Cash for Shelter – modalities

- Cash grants (conditional or unconditional)
- Vouchers
- Cash for work



# Cash for Shelter – modalities (SDC)

## Aceh 2005

In Aceh, SDC distributed cash to 7,000 families hosting displaced people in Banda Aceh and Aceh Besar, giving them a one-off cash payment of IDR900,000 (around \$100). Payments were made through an Indonesian bank, and were collected by beneficiaries at their local branch. The most common purchases among host families were electricity and food; guest families spent most on food.





# Cash grants (IFRC)

## Bangladesh 2007

In the aftermath Cyclone Sidr, IFRC provided standard, disaster resistant core shelters, along with a cash grant to buy additional materials to further increase the size of beneficiaries' homes as well as cash grants to strengthen and repair homes.



# Cash grants (IOM + implementing partners)

## Pakistan 2010

This large scale project provided cash to provide households with the means to buy materials and hire labour.

Each household received the cash in 3 tranches. Each payment was made when a group of up to 25 households constructed to an agreed level. Payments were made via an agreed Focal Point for each group of households. The project was managed by 44 Implementing Partners spread over 3 provinces, most of them local agencies.



# Cash grants (SDC)

## Ingushetia, 1999

The project goal was to prevent IDPs, who were being accommodated by host families, from being evicted during winter. This was achieved through provision of cash grants to all registered host families in Ingushetia.

A one-off cash grant, roughly equivalent in value to one month's income, was given with no restrictions to host families. The Ingush branch of the Russian postal service made the cash payments



# Cash grants (ARC)

## United States 2005

In the aftermath of Hurricane Katrina in 2005, the American Red Cross distributed “stored value cards” to survivors.

A predetermined amount of assistance based on disaster related emergency needs and available means, was uploaded onto the card. Beneficiaries were able to use the card to buy whatever they needed.





# Vouchers (PRC)

## Philippines, 2009 and 2010

In response to typhoons in 2009 and 2010 the Red Cross provided shelter materials for repairs and construction of shelters through a commodity based voucher system, with each household allocated the equivalent of USD \$ 190.00 worth of materials. Pre-selected suppliers ensured a swift and effective implementation of early recovery activities.



# Vouchers (CARE)

## Sumatra earthquake, 2010

After the earthquake CARE Indonesia provided cash grants to kick start construction, and therefore did not provide complete funds for reconstruction. The grant (US 220.00) could be spent on either labour or materials.

People could build however they wanted according to guidelines (four basic designs) provided during training and widely available posters.





# Cash for work (Oxfam)

## Haiti 2010

After the earthquake in January Oxfam launched several cash-for-work projects, giving those living in camps a chance to earn an income while improving their environment by building latrines and clearing rubble.



# Cash for work

## Pakistan, 2005

A project to build transitional shelters according to one basic design. The shelters used reclaimed materials as well as distributed materials and toolkits. Cash for work, carpenters, and technical support were also provided. The project was a combination of direct implementation by a lead organisation with its partner organisations.







So what's so special about shelter and cash?

In groups of 3 discuss the following questions:

1. What are the benefits of cash forming part of the shelter response?
2. What might be disadvantages?

## Task

You have 10'

# Benefits of cash-based shelter responses

- Support community solidarity through recompensing host families
- Encourage people out of camps through grants for rent etc.
- Beneficiaries can set their own priorities
- Choice in materials or labour to build temporary shelter, rebuild or repair permanent housing

# Benefits of cash-based shelter responses

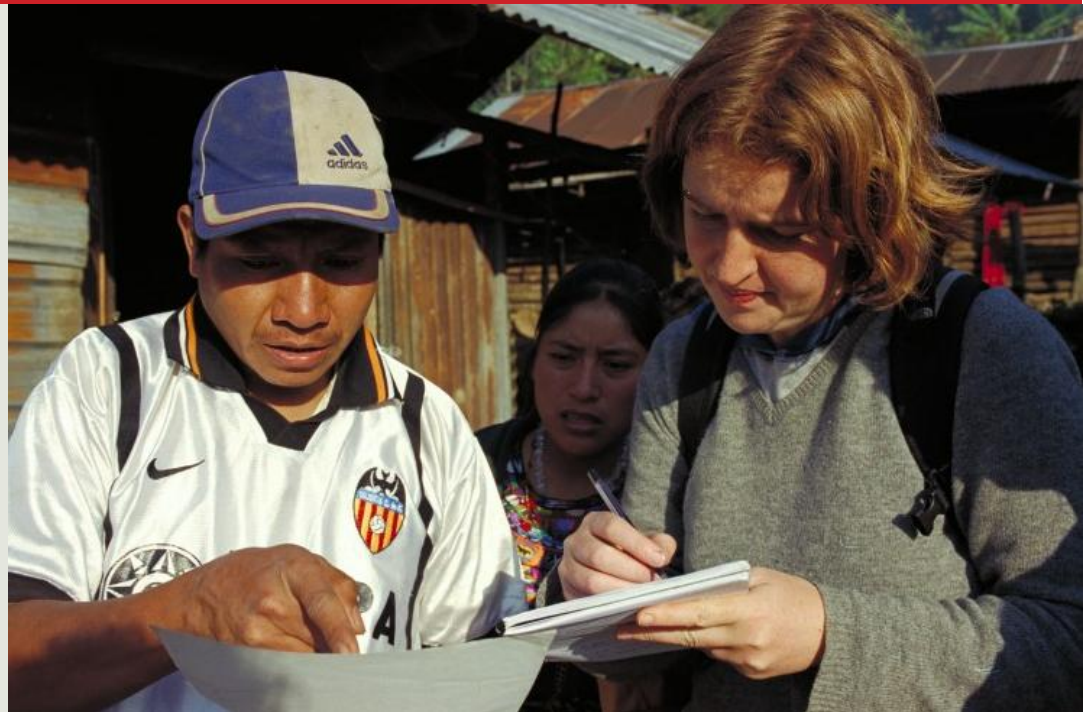
- Kick start local economies through increase of purchasing power
- Avoid contractor-driven reconstruction
- Families or individuals get a bank account, often with no administration fee





# Assessment

Not a 'cash' assessment! May require additional information to inform the analysis of appropriate response interventions



In groups of 3 make a list of information that needs to be collected to determine whether cash transfer could be a potential response option.

## Task

You have 15' – please record your answers on a flip cart.

# When might cash be appropriate?

- Needs assessment and response analysis
- Market analysis
- Coordination and political feasibility
- Cost-effectiveness
- Household needs and preferences

# When might cash be appropriate?

- Security and corruption risks
- Skills and capacity
- Timeliness
- Seasonality
- Gender issues, power relations and vulnerable groups



# What is a market system?

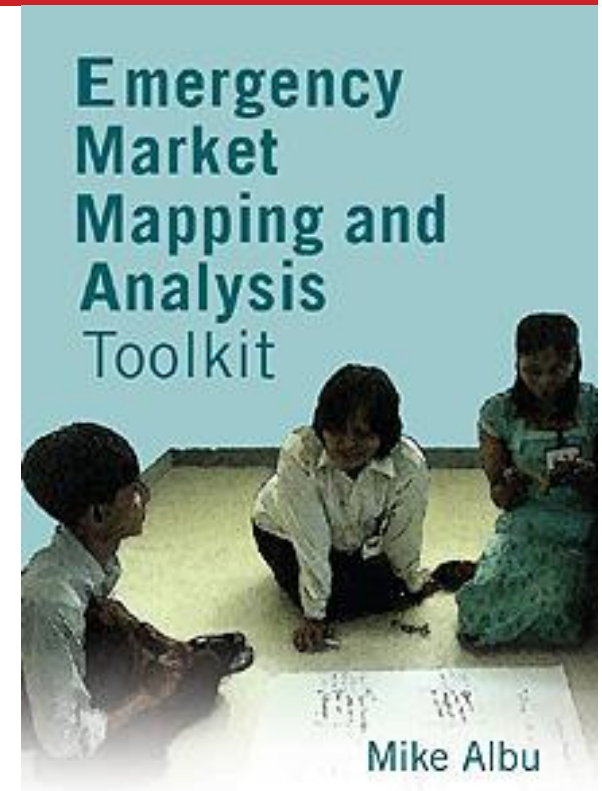
“The complex web of people, trading structures and rules that determines how goods and services are produced, accessed and exchanged.”

(EMMA 2010)



# Market analysis tools

- Tools to understand, support and make use of local market systems
- Tools to analyse gaps, critical market systems and response interventions
- Emphasis on response identification process



# Main components of market surveys

- Selection of critical markets
- Gap analysis
- Baseline Mapping
- Emergency Mapping
- Response options and recommendations



# Questions to answer through market analysis

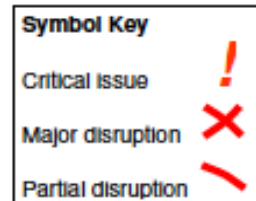
- Can the market meet the demand?
- How has the market been affected and what needs to be done to support it?
- Can the market respond to an increase in demand as a result of cash programmes?
- Is it feasible to locally purchase shelter materials from markets and the potential impact?
- What would be the impact of in-kind assistance on markets?



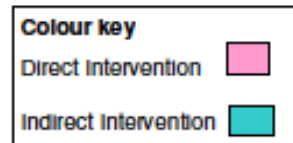
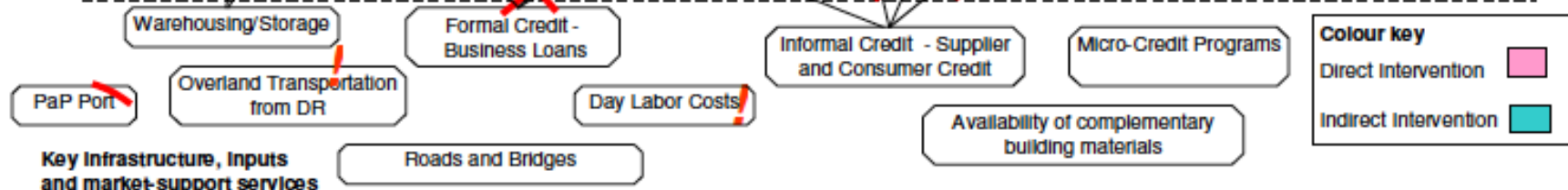
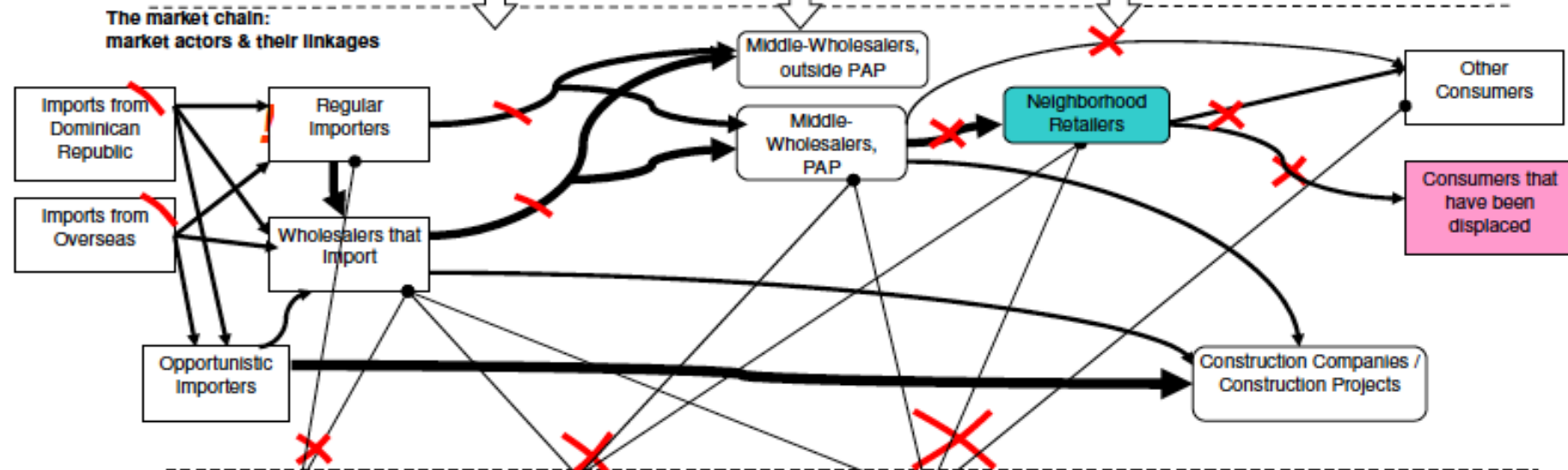


**MAP 3:**  
**Market-System Map – Corrugated Iron Sheet – Emergency affected market map**

**The market environment:**  
**Institutions, rules, norms & trends**



**The market chain:**  
**market actors & their linkages**



# Programmatic considerations

Designing and implementing a cash transfer programme



In your groups, for your allocated intervention:

1. Describe the key considerations for your programme design
2. List how the following roles might change in implementing the programme:  
Logistics, Finance, ICT, Procurement

## Task

You have 20' – please record your answers on a flip cart.

# Common issues

1. Clarity on Objectives
2. Selection Criteria and Targeting of Beneficiaries
3. Determining the value
4. Determining delivery mechanisms
  1. costs and cost effectiveness
  2. flexibility (ease of use by agencies)
  3. convenience for recipients
  4. security

# Common issues

6. monitoring systems
7. coordination / linkages
8. internal organisational procedures
  1. finance & logs
  2. HR
  3. livelihood components

# 1. Targeting methods

- Geographical
- Categorical
- Community based
- Proxy means tests
- Self-selection



# Criteria for beneficiaries

- ☑ Easily understood
- ☑ Measurable
- ☑ Easily verified

(e.g. composition of HH, no. of demolished homes, levels of repair needed etc.)





# Hurricane Richard, Belize 2010

## Examples of criteria

- Owner/renter of the house and main domicile
- Damages to the dwelling were caused by Hurricane Richard
- Damages to the structure must meet the established BRC criteria for “Destroyed,” “Major” or “Minor”
- The owner has plans, has begun or would make repairs if they had access to materials



# Hurricane Richard, Belize 2010

## Examples of criteria

- Access to selected markets to exchange the voucher for construction materials or tools with designated merchants no later than 30 days after distribution of the cash vouchers
- Capacity to repair the house themselves or access to other sources of labour (community, family, neighbours)
- Insufficient resources and not receiving assistance from any other government or non government organization assistance programs for shelter repair
- Other conditions of vulnerability (e.g. single parent with children, disabled, elderly, major illness)

## 2. Setting the value

1. What do HHs need overall to meet the programme objectives?
2. How much do these goods or services cost locally?
3. What can HHs provide for themselves?
4. Additional expenses such as transport of goods?



# Key principles when setting the value

- Relevance
- Acceptance
- Harmonisation



# Setting the value: Common mistakes

- Not linking the value of the grant to the project objectives
- Basing the value on in-kind provision
- Not calculating what HHs may be able to give
- Not considering changes to costs of goods and services
- Using only one location to calculate the costs
- Not including transport fees (or other fees)

*Having the wrong objective in the first place!*

# 3. Communication strategies

## For programmes

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- UNHCR used Tamil language cartoon to provide information on procedure for receiving cash after tsunami
- Use of communities
- Media

## For grievance procedures

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- Systems
- Information to communities
- Records kept
- Action
- Mechanisms in place for serious complaints (fraud etc.)



## 4. Payment methods

- Direct delivery
- Delivery through banking systems
- Electronic cards and mobile phones
- Delivery agents



# Decision based on:

- Objectives of the project
- Delivery options and existing infrastructure
- Cost
- Security
- Controls/risks



# Frequency of payments

Cash grants can be given in one payment or in installments depending on:

- ▣ Project objectives
- ▣ Security
- ▣ Cost efficiency



# Mobile phones

## Kenya – M-PESA

M = mobile phones

PESA = Swahili word for money

A platform for making small value electronic payments







# Pre-paid debit cards (CRC)

## Chile 2010

In response to the 2010 earthquake, the Chilean Red Cross (CRC) launched its 'Tarjeta RED' debit card programme. It assisted 8,400 families rebuild, repair their homes or improve the living conditions of their transitional shelters by allowing them to purchase needed construction materials and tools.



# Pre-paid debit cards - Chile

- 90% had no problems using the card at the hardware store
- Nearly all the respondents (99%) spent the entire amount in one trip
- 25% of the respondents spent the credit within a week of receiving the card
- 13% during the 2nd week, with the largest group (42%) taking 3-4 weeks to decide what to buy
- 20% of respondents did not use the card until at least a month after receiving the assistance
- One focus group noted that more time should be given for the use of the card

# Basic elements of payment systems

- Creation of database of eligible beneficiaries
- Identification methods
- Method of authentication
- Currency
- Point of payment (PoP)
- Reporting and reconciliations
- Promotion, training, communications and customer support



# Why vouchers not cash?

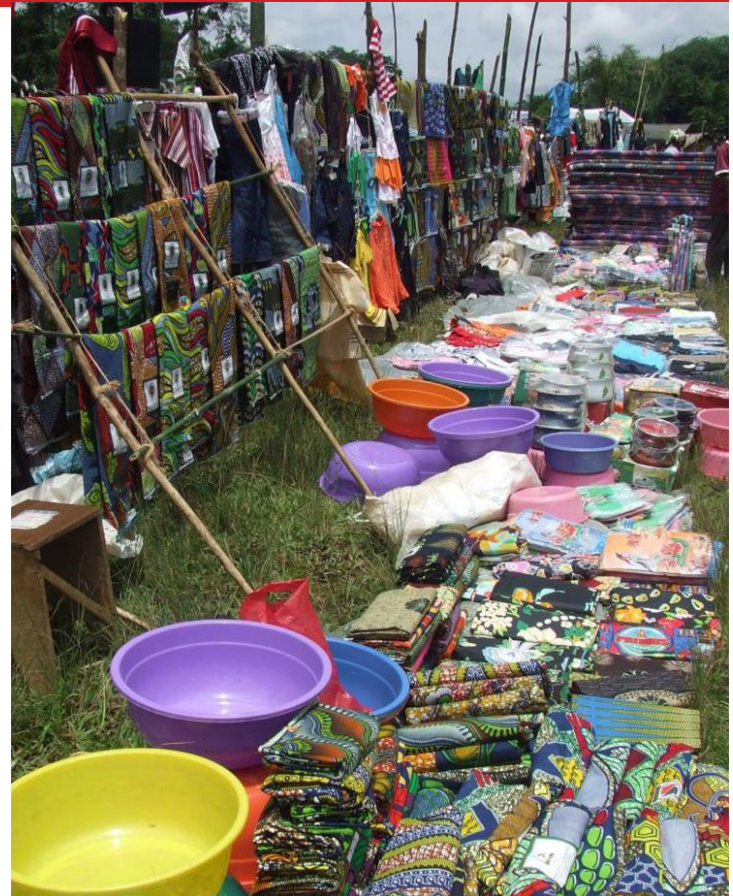
- Project objective
- Security
- Political acceptability
- Agency mandate
- Donor restrictions
- Beneficiary preferences





# Voucher fairs

- Allow beneficiaries to choose goods from different traders
- Enhance local economy
- Strengthen community organisation
- Are relatively simple and cost effective to organise





# Cost effectiveness

## Drivers

- Whether and how to target
- Transfer levels
- Whether to use conditionality
- Which systems for programme implementation

# Programme Cost Components

- Set-up costs
- Roll-out costs
- Operational costs
- Monitoring and evaluation costs



# Case – monitoring costs

## Haiti, 2010

After the earthquake the IFRC set up one of the few cash programmes combining shelter and livelihoods and providing people with multiple choices with the objective of supporting households in returning to their places of origin or finding a shelter solution outside of the camp.



# Case – monitoring costs

## Haiti, 2010

It consisted of a menu of options that people can decide from, combining a conditional grant for rents to an unconditional grant for setting up small business and restarting lives in and out of the cities.

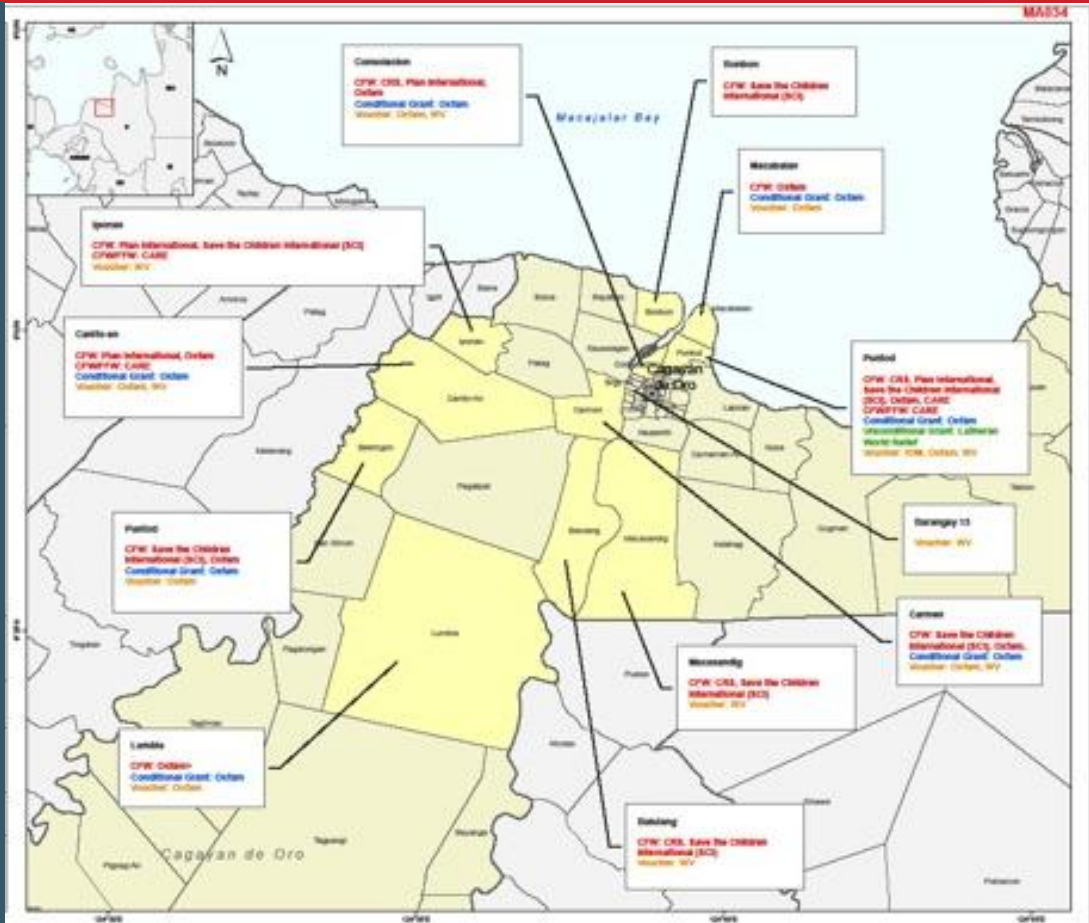
Monitoring costs made up more than 60% of the project costs as each rental grant had to be individually monitored.





# 5. Coordination

- How to organise?
- Clusters?
- Setting the labour rate
- Agreeing the cash grants





# Lessons Learned

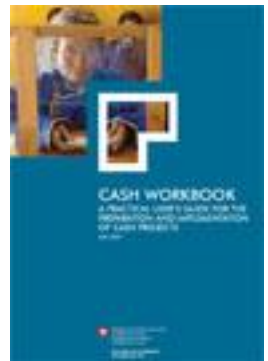
- Appropriate technical support and training is needed to complement cash grants
- Traditional support roles will change (finance, ICT etc.) – these staff need training
- Good preparedness and contingency planning is essential for rapid response
- Establish price monitoring systems
- Security for HHs improved once out of camps (Haiti)

# Lessons Learned

- Sensitisation on the use of cards or other payment methods is essential
- Technical control becomes difficult with diverse buildings
- Government acceptance is essential
- Cash schemes can be complicated to administer
- Widely appreciated by beneficiaries

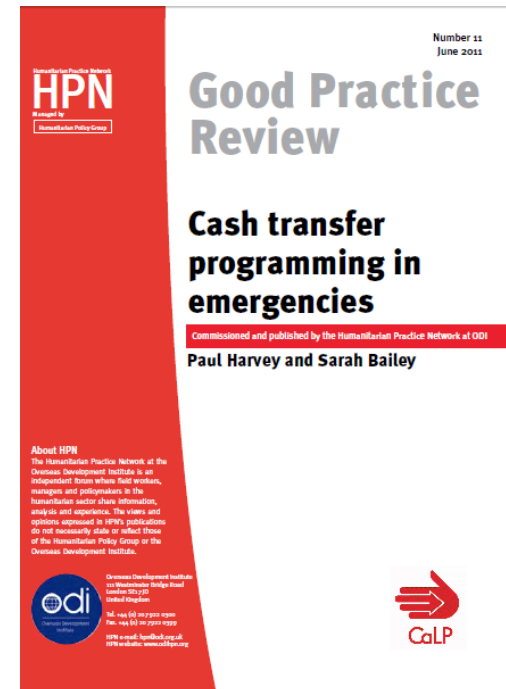
# Cash publications

- Guidelines for Cash Transfer Programming (ICRC & IFRC 2007)
- Implementing Cash-Based Interventions (ACF 2007)
- Cash Transfer Programming in Emergencies (Oxfam 2006)
- Cash Workbook (SDC 2007)
- Cash and Voucher Manual (WFP 2009)
- Guidance for DFID country offices on measuring and maximising value for money in cash transfer programmes (DFID 2011)



# Cash publications

- Cash Transfer Programming in Emergencies - Good Practice Review 11 (HPN/CaLP 2011)
- The Use of Cash and Vouchers in Humanitarian Crises – (DG ECHO funding Guidelines 2009)
- Cash and voucher in relief and recovery: Red Cross Red Crescent good practices (2006)



# CaLP Research

## READY OR NOT? EMERGENCY CASH TRANSFERS AT SCALE

BY LOS AUSTIN AND JACQUELINE FRIZE



## MARKET ANALYSIS IN EMERGENCIES

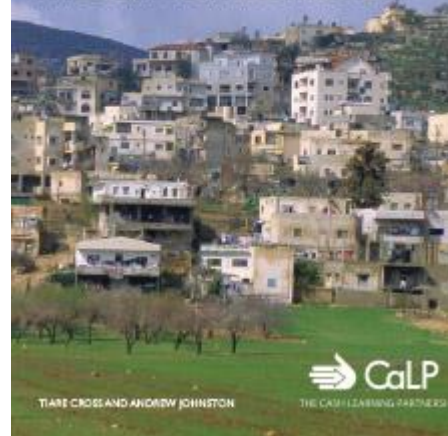


DURGA SIVAKUMARAN



## CASH TRANSFER PROGRAMMING IN URBAN EMERGENCIES

A TOOLKIT FOR PRACTITIONERS

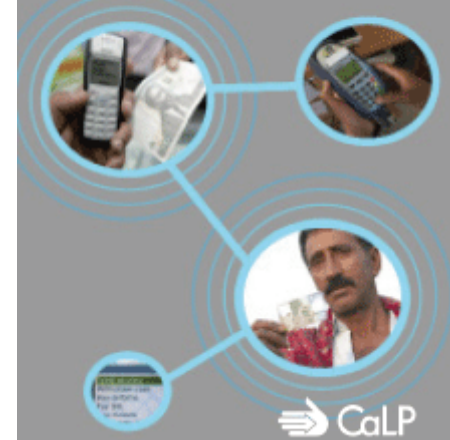


TIARE CROSS AND ANDREW JOHNSTON



## NEW TECHNOLOGIES IN EMERGENCY CASH AND VOUCHER PROGRAMMING

A study by Concern Worldwide, Oxford Policy Management (OPM) and the Partnership for Research in International Affairs and Development (PRIAD)



[www.cashlearning.org/what-we-do/research](http://www.cashlearning.org/what-we-do/research)



Thanks to...

