



CaLP Case Study
**Unconditional Cash Grants for
Relief and Recovery in Rizal and Laguna,
The Philippines (Post-Typhoon Ketsana)**

Oxfam GB



A beneficiary carries his hygiene kit through the flooded streets of Laguna after typhoon Ketsana. Photo: Jerry Carreon

In response to rapid onset flooding in Laguna and Rizal provinces in the Philippines, Oxfam International implemented a Cash Transfer Programme (CTP) in three phases: 1) Unconditional cash transfers for individuals to provide for basic needs; 2) Conditional cash transfers for individuals resuming income generating activities (IGAs); and 3) Cash transfers for groups to pursue joint activities that contribute to community livelihoods.

1 Humanitarian context

Background

On 26 September 2009, Typhoon Ketsana struck the Philippines which resulted in Laguna Lake spilling over its banks, causing flooding in the densely populated urban area around the lake. The flooding forced 156,431 families out of their homes and into 1,080 Evacuation Centres (ECs) in the area. Oxfam responded with a Cash Transfer Programme (CTP) that provided relief and recovery aid to people affected by flooding in Rizal and Laguna provinces¹ in a post-natural disaster context.

This was the first urban CTP that Oxfam implemented in the Philippines. The urban context of this program presented opportunities as well as challenges as urban infrastructure was further developed and there was a far greater variety of available commodities. People in this setting held variable beliefs, behaviours and priorities with regards to the use of cash in emergency response. Learning from this experience can be integrated into future implementation of CTPs in urban settings both in the Philippines and other countries.



Ketsana response: Oxfam's area of operation.

Assessment

Rapid needs assessments were executed in the two days immediately following Typhoon Ketsana, which involved conducting focus group discussions, interviews and surveys. The findings demonstrated that internally displaced persons (IDPs) at ECs received in-kind food aid in insufficient quantities, and water and sanitation facilities at ECs, temporary relocation sites (TRSs¹) and in flooded homes fell below SPHERE minimum standards. In addition, as households outside of ECs were difficult to access, they were receiving little to no aid. Many businesses were destroyed as a result of the typhoon with consequent loss of employment. Many people could not afford to augment their food stocks or recover their livelihoods.

Assessments showed that most markets in the targeted areas were functioning normally, though prices of fresh foods and those being distributed as part of relief packages had slightly increased. The Emergency Food Security and Livelihoods (EFSL) team concluded that the provision of cash transfers to individuals and groups within the community could provide some relief and assist local vendors to recover from the effects of Typhoon Ketsana by providing consumers with additional purchasing power. It was anticipated that the CTP could also improve the quantity of food available to vulnerable and low income households as well as increase their access to higher quality food products.

2 Programme Overview and Rationale

This particular CTP programme's objectives were to supply relief and recovery aid to families severely affected by the floods in order to provide for their EFSL and water, sanitation and hygiene (WASH) needs. The programme entailed:

- A three-phase CTP involving:
 1. Unconditional cash transfers for individuals to provide for basic needs;
 2. Conditional cash transfers for individuals resuming income generating activities (IGAs);
 3. Conditional cash transfers for livelihood groups to pursue joint activities that contribute to community livelihoods.
- In-kind distributions of hygiene and sanitation items to contribute to reduction of public health risks and to meet SPHERE minimum standards.

Implementing partners

Local government units (LGUs) and social service departments supported targeting, capacity building, and monitoring activities. Local NGOs Community Organisation Multiversity (COM) and SIKHAY KILOS distributed 18,500 hygiene kits in Laguna and Rizal provinces on behalf of Oxfam. Barangay (district) health workers trained by Oxfam’s public health team distributed water purification materials known as aqua to 10,000 families on a monthly basis. Oxfam contracted LBC Express Inc. to distribute cash transfers during later phases of the program.



3 Implementation

Beneficiary selection and targeting

Initial assessments indicated that families demonstrating the greatest need for programme assistance were located in ECs. Government staff managing ECs that served over 100 families provided assistance in identifying eligible beneficiaries by developing master lists of resident IDPs. During each stage of the CTP, those people identified as most vulnerable formed the target group. This group consisted of single-headed households, women-headed households, persons with disabilities, elderly, women, children, those without land of their own and labourers reliant on daily wages.

In Phase 1, ECs were selected with over 100 resident families and high numbers of vulnerable people for blanket distribution. IDPs in these ECs received distribution stubs to present to programme staff along with a form of government or social identification, which was checked against a master list of registered IDPs at the ECs at the time of distribution. In total blanket distribution reached 10,001 families in the selected ECs.

Why did Oxfam decide to use unconditional cash transfers as a first response?
 Distributing cash transfers was the most **effective, rapid and simple** method for responding to the rapid onset flooding while meeting a wide range of beneficiaries’ needs. In-kind distributions or manufacturing of cash vouchers would have been time consuming and complicated by the processes involved to provide the numerous types of items beneficiaries reported that they needed. Implementing an unconditional cash transfer programme in Phase 1 enabled beneficiaries to prioritise their own needs. In Phase 2 and 3, given the larger amounts of money being transferred, beneficiaries signed contracts indicating that they would only use the cash transfers for income generating activities (IGAs) and activities agreed upon by their livelihood groups respectively.

| Table 1: Overview of the cash transfer component of the programme | | | | |
|--|--|------------------------|------------------------|--|
| | Type of Transfer | Delivery method | No. of Families | Targeting |
| Phase 1 | Unconditional Cash Transfer for individuals to provide for basic needs | Direct cash | 10,001 | Blanket distribution in ECs with high numbers of vulnerable families |
| Phase 2 | Conditional Cash Transfers for individuals resuming Income Generating Activities (IGAs) | Remittance agent | 6,441 | Vulnerable families who were unable to pursue prior income generating activities |
| Phase 3 | Conditional Cash Transfers for livelihood groups to pursue joint activities that contribute to community livelihoods | Remittance agent | 11,515 | Community livelihood groups, particularly women’s groups who did not qualify for assistance in Phase 2 |

Initially beneficiaries who participated in the first phase of the CTP were to be included in subsequent phases. However, this targeting method resulted in exclusion of some of the unsheltered population affected by flooding, as well as those IDPs that did not remain in ECs throughout the programme. As a result, the targeting strategy was refined.

Phase 2 cash transfers were distributed to a total of 6,441 families that had lost their businesses and/or employment as a result of damage from the typhoon. In the end, 87% (5,604) of the Phase 2 beneficiaries had also received cash transfers in Phase 1. Basic socio-demographic information as well as plans for IGAs were collected from potential beneficiaries during Phase 2 and entered into a main database which served as the master list for this phase. Through verification of IDP name and associated information in the database along with personal identification, re-registration of existing registered beneficiaries was prevented.

In Phase 3 cash transfers were disbursed to 462 community livelihood groups that represented 11,515 families. To identify which groups would receive cash transfers, groups submitted short project proposals and these were reviewed based on the groups' size, leadership structure, suggested activities and accountability mechanisms. Targeting focused on those most vulnerable² including those who had not received support from other government or NGO responses.

Setting the value

The value for Phase 1 cash transfers was set at PHP 1,000 (approximately USD 20), which was based on one week's minimum wage earnings adjusted for the in-kind food aid beneficiaries had received at ECs. For Phase 2, the value of the cash transfers was set at PHP 5,000 (approximately USD 100) which was deemed sufficient to enable the most vulnerable IDPs to purchase or repair what was required for reinitiating IGAs. In Phase 3, it was anticipated initially that 1,000 community livelihood groups consisting of five members each would be supported. However, these groups varied in size and this type of targeting was found to be unrealistic. As a result, a total of 462 community livelihood groups received cash transfers in this phase, with amounts ranging from PHP30,000 (approximately USD 705) to PHP427,000 (approximately USD 10,030) based on the groups' proposed activities and number of people involved in the group.



Communicating with beneficiaries is a critical part of any cash transfer programme. Photo: Jerry Carreon



Phase 1 beneficiaries received a hygiene kit and a cash transfer of PHP 1,000 (approximately USD 20). Photo: Laura Eldon

Payment methods

Phase 1 cash transfers were distributed in person to beneficiaries at selected ECs. The amount of the transfers was very small and therefore direct distribution did not pose a security threat to program staff and beneficiaries. For Phases 2 and 3, Oxfam selected LBC Express Inc, a remittance company, as the delivery agent. In Phase 3, community livelihood groups without a savings component incorporated into their proposed activities received their cash transfers as cheques from Oxfam programme staff. Those groups with a savings component incorporated into their proposed activities were required to open a bank account before receiving a cheque.

Cash Transfer via a Remittance Agency

It was identified that most beneficiaries were familiar with the remittance system, which provided a distinct advantage as minimal information and training was needed for phase 2 and 3. In addition, LBC Express Inc. had numerous distribution points in the affected urban areas. This company was responsible for providing tracking numbers to beneficiaries, information on where beneficiaries could collect

their cash transfers and even agreed to deliver cash transfers to beneficiaries at their homes upon request. Furthermore, LBC Express Inc. assumed some of the risks associated with program implementation by taking responsibility for customer service issues and disbursement-related losses.

Given the large amounts of funds being transferred and the associated potential for insecurity in the urban environment, security was a major concern in Phases 2 and 3. LBC Express Inc. had extensive experience and success with safe and efficient cash distribution, which strengthened the security around transfers that were being made. To be discrete, beneficiaries were sent an invitation to program orientations and other sensitive information via text message. To minimise risk, a waiting period between beneficiary orientation and when cash transfers could be collected was implemented. LBC Express Inc. verified that beneficiaries were on the master list by matching them to individual tracking numbers and requiring beneficiaries to present two forms of ID, which ensured the security of transactions while simultaneously preventing fraud.

Timeline and Scale

It was estimated that it would require five working days to set up the CTP and four weeks to distribute the unconditional cash transfers under Phase 1 (direct cash distribution). Initial assessments were performed quickly and included estimates on the size of the cash transfers. The first Phase 1 cash transfers took place one week into the response, and distribution was eventually completed in eight weeks, rather than four. Distribution required additional time than initially anticipated because there were more ECs scattered throughout the targeted areas than had been calculated which resulted in an increased number of distributions than was planned. ECs within close geographic proximity to one another were targeted in order to reduce the distance beneficiaries had to travel and ensure that the number of people served was manageable.

The set up time required for Phases 2 and 3 was longer than Phase 1 as the beneficiary registration process involved interviews, orientation to implementation procedures, signing of contracts as a condition of receiving the cash transfers and negotiation and coordination with the remittance agency amongst other activities.

Oxfam’s technical and program staff worked very closely with the finance and logistics teams during program design and implementation. To address security concerns, internal and community volunteers were recruited to increase the number of people managing security-related concerns at the distributions.

Costs

In Phase 1 a total of GBP 128,795.25 (approximately USD 211,816.67) was distributed to beneficiaries.

In Phase 2 a total of GBP 486,634.08 (approximately USD 800,318.41) was distributed to beneficiaries.

In Phase 3 a total of GBP 253,948.23 (approximately USD 417,643.26) was distributed to beneficiaries.

Oxfam program staff utilised GBP 486.75 (approximately USD 800.50) of the budget on LBC’s service charges. The total cost of this CTP was GBP 901,743.28 (approximately USD 1,483,007.00).

4 Programme impact

Monitoring

In order to monitor programme impact, focus group discussions, feedback boxes, a hotline for assistance and grievances and bi-weekly local market surveys were conducted with participating beneficiaries that concentrated on commodity price fluctuations. Data collected allowed for adjustments to be made in communications, coordination efforts, and programming according to responses from community members and partners.

The Philippine Partnership for the Development of Human Resources in Rural Areas (PhilDHARRA) also conducted Post-Distribution monitoring (PDM). PhilDHARRA requested beneficiaries to complete questionnaires and participate in focus group discussions to explore their perceptions and experiences with cash transfers, the delivery mechanism, and monitored prices in local markets as well as gathered data on how the money was spent.

Figure 1: Allocation of Phase 2 Cash Grant

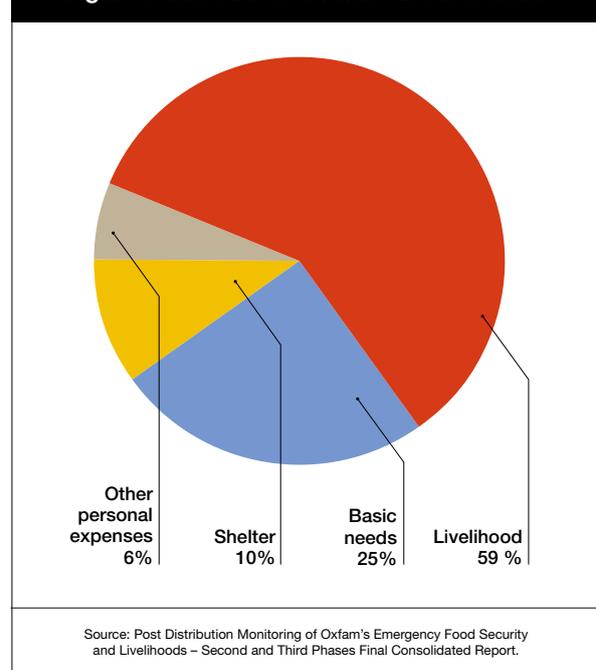


Table 2: Status of Phase 2 Spending per Province, April 2010.

| Spent the money | Province | | Total |
|------------------------------|-----------|-----------|-----------|
| | Laguna | Rizal | |
| Spent all the money | 99 (31%) | 205 (56%) | 304 (45%) |
| Spent the money, but not all | 193 (61%) | 147 (40%) | 340 (50%) |
| Have not yet spent the money | 25 (8%) | 11 (3%) | 36 (5%) |

Source: Post Distribution Monitoring of Oxfam’s Emergency Food Security and Livelihoods – Second and Third Phases Final Consolidated Report.



Phase 2 beneficiaries invested the grants to re-start livelihood activities, such as motorcycle taxi services. Photo: Jerry Carreon

Results from the PDM found that the cash transfers provided had a positive impact on the beneficiaries, who were able to meet immediate basic needs and rebuild livelihoods. Beneficiaries were extremely satisfied with the size of the cash transfer, the flexibility of cash-based assistance and with LBC Express Inc.'s services. Overall, the cash transfer funds were utilised towards Oxfam's targeted sectors. The purchasing patterns of beneficiaries, including when they spent money and what they purchased, indicated that the size and timing of cash distributions were in line with Oxfam's goals. Price monitoring demonstrated that the CTP did not have an effect on local prices. Any price fluctuations that did occur during the project were consistent with seasonal changes and national trends.

It was anticipated that only a portion of the funds in Phase 2 would be used exclusively on livelihood activities and that some would be saved for future use, which proved to be true (see Figure 1 and Table 2). Expenditures that were not directly related to livelihoods were considered minute, with no significant impact on Oxfam's objectives for the CTP³.

In Phase 3, the proximity of the CTP implementation timeline to that of local elections generated much confusion around the purpose of the cash transfers. Oxfam programme staff were required to exert a lot of effort to clarify to targeted communities what the cash grants were for and reiterate the organization's political neutrality. Given these circumstances, the monitoring plan for Phase 3 was scaled down which increased the need for self-reporting and internal support from beneficiaries themselves. Although involving local government units (LGUs) in the monitoring of community livelihood groups was successful in Laguna, in other areas many other LGUs did not follow through on their agreements to support community livelihood groups. Phase 3 of the CTP was consequently negatively affected by sub-standard monitoring efforts and lack of sufficient capacity building amongst beneficiaries and/or community livelihood groups.

Social impacts

There were no reports of increased tension within households as a result the cash transfers, of which women were the majority of the recipients. In Phase 1 and 2, some beneficiaries reported a small negative social impact related to feelings of jealousy from non-beneficiaries. There were also three reports of conflicts documented with local officials.

Largely the Phase 3 community grants were found to have contributed to social cohesion amongst the community livelihood groups. Many groups chose to register as official organizations, which facilitated community unification and increased the success rate of their activities. This trend was more prevalent

among the groups composed of women than among those composed of men. Some community livelihood groups did experience tensions related to disagreements about the nature of the cash transfers and how to best utilise them.

The programme also resulted in an improved the perception of CTPs amongst some LGUs, who expressed that they would consider using a CTP in the future.

5 Challenges, solutions and lessons learned

Challenges

Using cash transfers created controversy with LGUs as pre-existing local cultural stigmas were associated with cash handouts from political leaders. The CTP was coordinated with LGUs and with other local NGOs and social organizations as much as possible for transparency. Information on the programme, targeting criteria and intended purpose of the cash transfers was disseminated to the public.

As compared to similar programmes implemented in other countries, complaint mechanisms were used much more heavily during this CTP from beneficiaries as well as non-beneficiaries. This provided guidance on which aspects of the programme required additional explanation.

The programme timeline proved to be one of the most difficult challenges. While cash transfers were the most rapid, user-friendly and cost-effective choice, weak contingency planning limited which other modalities and transfer mechanisms could have been considered. A lack of time and insufficient human resources also restricted opportunities for community education and capacity building prior to implementation, which had to be conducted simultaneous to this.

Lessons learned

Increasing preparedness to undertake emergency cash transfers

- Evaluate in advance the possible options, risks and mitigation/contingency measures of using various cash transfer modalities and delivery mechanisms in geographic areas with prior history of natural disasters. Different modalities / delivery methods may be more appropriate for different contexts, e.g. urban or rural⁴.
- Establish contact with potential delivery agents (in this case the remittance company) in such areas to facilitate the timely execution of cash distribution.
- If appropriate, establish pre-agreements with selected delivery agents that can be activated in the event of emergency situations resulting from natural disasters. Agreements should explain the responsibilities of both the agency and the remittance company during CTP implementation, as well as other factors such as charges and support / training to beneficiaries.

Operating in Urban Contexts

- Anticipate that affected people in urban settings may relocate within or beyond the targeted area. Prepare to adapt the programme design by working with local officials as well as community members to identify geographic areas and people with the greatest need.
- Plan for a degree of flexibility to accommodate changes in the context. Designate a team for programme assessment throughout the implementation to allow for the CTP to be altered to meet the specific demands of the particular emergency situation.
- Adjust community education efforts and communication mediums to meet the demands of a densely populated urban environment where there may be little social cohesion. Initiate awareness activities in areas with a history of natural disasters before the onset of an emergency situation and maintain these activities throughout programme implementation.
- Design a feedback mechanism for complaints that is capable of handling a high volume of usage and develop communication strategies beforehand for dealing with frequent complaints, e.g. from non-beneficiaries.

Monitoring and Evaluation

- Select a team that will assess the CTP as it is implemented and advise stakeholders and partners involved on any changes and emerging needs as the response progresses.
- Integrate long-term post-distribution monitoring into the programme implementation plan. Long-term monitoring will provide constructive indicators to the humanitarian sector on which practices lead to the best results and which could be improved upon. The agency should remain present and active if it decides to work with local government units (LGUs) so that monitoring does not become a burden. Selecting 'champions' is a positive way to encourage LGUs to uphold their responsibilities as outlined in monitoring MOUs.

Livelihoods Sustainability

- Conduct capacity building activities specific to beneficiaries' proposed livelihood activities before and after cash distribution.
- Coordinate with local stakeholders on how to maintain the achievements of the CTP. The agency should support the capacity of local actors that assist with the programmes' sustainability.

Other factors

- Be mindful of the timing of the CTP in relation to local political events. Make it very clear to all parties from the beginning of the CTP that the programme does not have ties to any anticipated political events.

Contact details and further reading

Paul G. Del Rosario, Humanitarian Program Coordinator, Oxfam (Philippines), P.Rosario@oxfam.org.uk

Jermaine Bayas, Emergency Food Security and Livelihoods (EFSL) Officer, Oxfam (Philippines), J.Bayas@oxfam.org.uk

Please refer to the extended version of this case study, "Post-Typhoon Relief and Recovery through Cash Transfer Programming: Rizal and Laguna provinces, October 2009-April 2010," for more information on this programme (available on request from the CaLP at: info@cashlearning.org). The PDM report, "Post Distribution Monitoring of Oxfam's Emergency Food Security and Livelihoods" (PhilDHRRA, Apr 2010) provides full details on the results of PDM. Oxfam also released two documents, "Emergency Response to Typhoon Ketsana in the Philippines Needs Assessment Analysis," (Dec 2009) and "Making Cash Grants Work: Emergency Food Security and Livelihoods (EFSL) in Oxfam's Ketsana Emergency Response, October 2009 - April 2010," that provide an internal perspective on the programme. Two sections of Oxfam GB's website, "In Pictures - Philippines Floods," and "Typhoon Ketsana: Philippines - In Pictures: Emergencies" provide images and basic information about the programme.

Related resources

The following documents are all available in the CaLP online library (www.cashlearning.org/resources/library):

CaLP (2011) *Direct Cash: A quick delivery guide to cash transfer programming in emergencies (CaLP)*

CaLP (2010) *Delivering Money: Cash Transfer Mechanisms in Emergencies* (Save the Children UK)

Harvey, P. and Bailey, S (2011) *Good Practice Review 11: Cash Transfer Programming in Emergencies*, (ODI/CaLP)

Poisson, G. (2011): *Cash transfer programming in emergencies: cash transfer mechanisms and disaster preparedness in the Philippines* (CaLP)

Notes

¹ Oxfam chose to exclude Bulacan from the CTP after Phase 1 because its local NGO partner, the People's Disaster Risk Reduction Network (PDRRN), assumed aid distribution in the province.

² Oxfam's terms of vulnerability include people from single-headed households, women-headed households, persons with disabilities, elderly, women, children, those without land of their own and labourers reliant on daily wages.

³ Refer to Post Distribution Monitoring of Oxfam's Emergency Food Security and Livelihoods for full details on the results of PDM.

⁴ Oxfam tried to use LBC in response to Typhoon Maggie in 2010 but the CTP was implemented in a much more rural setting. The community response was generally negative as beneficiaries were required to show official identification, which fewer people in rural areas hold. They also had to travel very far to reach LBC branches as they were less common in rural settings.



Combining cash grants with in-kind transfers can be a fast and effective way of meeting a wide range of emergency needs. Photo: Laura Eldon



CaLP

The Cash Learning Partnership (CaLP) aims to promote appropriate, timely and quality cash and voucher programming as a tool in humanitarian response and preparedness.

Originating from the will to gather the lessons learnt from the Tsunami emergency response in 2005, the CaLP is today composed by Oxfam GB, the British Red Cross, Save the Children, the Norwegian Refugee Council and Action Against Hunger / ACF International. The five steering committee organisations have come together to support capacity building, research and information-sharing on cash transfer programming as an effective tool to support populations affected by disasters in a way that maintains dignity and choice for beneficiaries while stimulating local economies and markets.

In 2010, the CaLP partnered with the International Federation of the Red Cross and Red Crescent societies (IFRC), with support from ECHO and Visa Inc.

For more information visit: www.cashlearning.org

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Written by: Kendra Hughbanks

Edited by: Geraud Devred, Jermaine Bayas, Paul G. Del Rosario