

## Cash For Work (CFW).

### 1. Why opt for a CFW intervention?

This section aims to establish the logical and practical arguments for and against Cash for Work (CFW) as a Cash Transfer Programming (CTP) modality.

| ADVANTAGES  | DISADVANTAGES   |
|---|---|
| May be more acceptable to donors, the government and certain communities  | Reconstruction works may compete with local labour and disrupt seasonal activities  |
| Projects can contribute to long-term economic recovery and disaster risk reduction  | Is challenging to implement during a first phase emergency as projects need to be identified, work schemes designed, equipment acquired and beneficiaries trained   |
| Communities are involved in reconstruction works and thereby have ownership of the project  | Vulnerable people (elderly; disabled) may be excluded from participating  |
| May be self-targeting as only households who are willing to work for the set wage will participate  | Households with less labour capacity may earn less (if more than one person per household is selected to work)  |
| Not as susceptible to corruption and fraud as outputs are tangible  | Time consuming for SC field staff as work needs to be supervised and monitored  |
| Equal opportunity amongst men & women with labour capacity  | May raise issues of cultural acceptability as women are not usually allowed to work on hard labour together with men  |
| Provides a good opportunity to work on local capacity and resilience building through trainings and sensitisations.<br><br>If timed correctly CFW projects have several other transversal effects (reducing negative labour migration, thus assuring local labour availability at the onset of the cultivation season, for example)<br><br>May be a useful tool for achieving multi-sectoral objectives (FSL, Wash, Shelter, etc) | Higher budget required for supervision/monitoring costs and equipment costs<br><br>Size of transfer limited by need to maintain a “reasonable wage”<br><br>Many work schemes are hastily designed which leads to less sustainable CFW projects and less of an impact for targeted communities |

Notes:



- 1) This TIP sheet covers issues specifically related to CFW programming which are not addressed in the CTP ESOP or the FSL ESOP
- 2) Whether the work is paid in vouchers or cash is unrelated to the way in which a labour-based programme is designed and implemented. Any references to Cash for Work (CFW) in this document should therefore be understood to include Vouchers for Work

## 2. Planning for CFW

### Project objective

In most cases, CFW projects are planned with two objectives:

- Providing workers with income so they can meet their essential needs
- Achieving some work which is beneficial to the community and the local economy

Ideally, a CFW project will meet both of these objectives. However, often it is necessary to prioritise one of these objectives over the other, and this TIP sheet will focus primarily on projects where the main objective is to provide people with income through work.

### Selecting CFW projects

CFW projects should:

- Be able to absorb very large amounts of labour in relation to the size of the affected population
- Involve a large majority of unskilled labour
- Respond to the community's needs (both immediate and longer term)
- Be relatively simple in design and realistic in terms of objectives as well as the time and resources needed
- Not involve work that people would normally do for free or of their own accord (i.e. some communities have "community work days" and CFW work schemes should not involve the same kind of work, etc.)
- Be easily accessible (limiting the distance between targeted communities and work sites)
- Be close together (for ease of monitoring by SC staff)

Key questions:

- Is there sufficient useful work available?
- Are people used to working together?
- How long have they lived together as a community?
- Are there any economic, cultural, religious or political differences within the community?
- What is the attitude of the community towards paid labour?



- DO conduct assessments with the local government and community to determine the extent of damage for reconstruction work.
- DO ask the target population in the zones of intervention what their most pressing needs are which can be addressed with a labour-based intervention
- DO involve the community and local authorities in: estimating how many workers will be needed to carry out the works; determine their needs in terms of tools/equipment; and explain what they will do with the rubbish and other side productions of the labour-based activities

In the immediate aftermath of a shock, focus on labour intensive schemes that are quick to design and simple to implement in cash for work programs. In recovery periods, allow for greater expenditures on materials, have a more substantial focus on capacity building and training and incorporate disaster risk reduction approaches focusing on the chronic problems of the community, etc. .

### Timing and seasonality

Key questions:

- Do normal work activities vary with the seasons? What is the seasonal calendar? (i.e. do we have time to finish the identified schemes before the rainy season or cultivation season starts, for example)
- What is the current availability of employment for members of the community, and how is this likely to change over the coming months?

- DON'T plan CFW activities that interfere with or replace traditional livelihoods and coping strategies
- DON'T divert household resources from other productive activities already in place.
- DO remember that urban employment patterns may be tightly linked to rural employment patterns

### Wage setting

Setting wages for CFW projects should take into account:

- Beneficiary needs (i.e. what is the wage intended to cover)
- Objective wage standards in the project location
- Other NGOs or local actors conducting CFW projects in the same intervention zone.
- The total number of planned days of work

- DO set wages slightly below the local wage rate
- DO ensure that the wage rate is agreed in writing by community representatives
- DO consider a differential wage structure to reflect the structure you have set up for the management of public works (i.e. public works coordinators, overseeing a number of team leaders, who in turn oversee 'x' number of workers)
- DO consider a combination of modalities (i.e. CFW and in-kind aid/unconditional transfers) if the wage does not meet the programme objectives
- DO consider variability of wages between urban and rural populations
- DO establish set working hours and breaks
- DO limit the number of working hours per day in order allow for other essential household activities (especially important for female beneficiaries as their domestic work load greater)
- DO consider coordination with other agencies on wage setting

### **Logistics and safety**

Logistical planning – key questions:

- Which projects will take place – where, when and what?
- How many workers will be working in each location, for how many days?
- Are the necessary materials and tools available on local markets and will the beneficiaries have any simple tools of their own to use/contribute.
- Is training necessary before the work commences?

- DO define a clear organisational structure, ideally with skilled workers in management positions, in order to supervise the activities
- DO clearly define work targets (per worker / per week / per team) and ensure these are systematically monitored and adjusted if necessary
- DO define working rules and sanctions if these targets are not met
- DO establish an indicative payment schedule, including amounts to be distributed

Communications, Transport and Equipment:

- What is the current state of communications in the area?
- Issues of time and cost of transport for the workers between their homes and the workplace should also be considered
- What equipment is necessary to carry out the work (tools, spare parts, building materials, machines, protective clothing, face masks etc)



- What storage facilities exist? Will beneficiaries be expected to store equipment themselves? What are the security risks for transporting and storing materials?
- What are the additional cost implications of CFW as opposed to unconditional transfers?

Workers' safety:

- What are the risks for workers? How will you mitigate these?
- Are you considering insuring your workers to cover them while they are engaged in CFW? What is the local policy? What are other agencies doing?

- DO ensure the required equipment/tools are purchased on time by the logistics department
- Do ensure that the equipment is checked and validated by a member of the technical team before purchase
- DO encourage the logistics department to conduct local market assessments to establish whether the necessary equipment can be procured more rapidly (see CTP ESOP Annex 3)
- DO establish a community-based system for storage, and maintenance of the equipment
- DO ensure the community has defined who is responsible for managing the equipment, and the maintenance of the public works after the end of the project
- DO enforce rules for workers' safety and ensure a first-aid kit is available on each working site
- Do assure that adequate drinking water is available on all work sites
- DO consider making workers sign disclaimer forms absolving the agencies of responsibility

### 3. Implementing CFW

#### Targeting – choosing the workers

CFW involves an element of self-targeting, if the wage rate is set just below the market rate. However, this may not work out in practice, as: there is often a shortage of opportunities to work, even at minimum rates, and a very low wage rate may be too low to meet the objectives of the programmes. Therefore, targeting methodologies should be adapted to the context.

One key consideration in CFW programming is to ensure that labour-constrained households are not excluded from the project.

- DO ensure that the targeting process is led by the community whenever possible (this may not apply in many urban contexts or when dealing with large numbers of displaced people coming from different zones)
- DO validate the list of targeted workers publicly to ensure transparency
- DO consider the need for skilled labour to ensure supervision of the project and team management
- **DON'T engage labour-constrained households in strenuous CFW activities**
- DO work with the community to identify less strenuous tasks which women and individuals from selected labour-constrained households can participate in (i.e. childcare for children of workers; provision of food/drinks to workers etc); or
- DO consider unconditional transfers for those unable to work
- DO select projects that women can also participate in
- **DON'T risk children being left at home during CFW activities (i.e. establish child care facilities)**
- **DON'T allow children to participate in CFW – local labour laws will define the minimum (generally 15 – 18). In the absence of local guidance, 18 should be the minimum age.**

### Technical supervision and monitoring

Consider project requirements for technical supervision. This is often an area where local authorities can be involved, since they are often responsible for infrastructure in their area, and should be involved in maintenance afterwards. They may also play a key role in technical training for SC staff and beneficiaries, as well as identifying appropriate projects, designing work schemes, and defining the necessary tools and equipment that will be needed.

- DO organise workers in small groups to ease monitoring and supervision
- DO establish a clear organogram for monitoring and reporting to SC staff
- DO use attendance sheets to determine the cash entitlement each worker should receive

### Payments for CFW

By this stage, it is assumed that an appropriate delivery mechanism will have been identified by SC finance and programme staff (see CTP ESOP Annex 5). The following are options for how to organise payments for CFW:



- Output-based? i.e. a quantifiable amount of work; people can leave once they have completed this; the attendance sheet will ensure that each worker is paid according to the work s/he has done
- Daily-based – daily rates may be more useful, especially for jobs which do not have a quantifiable output
- Group-based – instead of monitoring each individual, a group of people is given a task to achieve together (i.e. land prep for communal gardens, use existing systems/farming groups); this simplifies administration and supervision; gives the group certain flexibility

### Ending CFW interventions

- DO plan for exit strategies at the beginning of you intervention
- DO ensure proper communication with the communities from the beginning of the programme, clarifying that it is a short-term project with defined objectives
- DO try to match the end of the labour-based intervention with the start of alternative seasonal activities (such as agriculture or other local labour opportunities)

## 4. What are donors saying?

All donors funding Cash Transfer Programming are keen on CFW projects in theory and willing to invest in the necessary tools and materials to support these projects. However, CFW tools and materials are often heavily under-budgeted (often due to the lack of time needed to consult with local engineers and government ministries during project design), which impacts on the quality of the work and the safety of the workers.

- DO ensure the budget for tools and materials is sufficient in proposals, taking into consideration the risk of post emergency inflation
- Do liaise closely with local actors (government as well as NGOs, etc.) during the design stage in order to gain a more accurate picture of the kinds and quantities of tools and equipment needed.

For more information and support, contact: [cash\\_progs\\_support@savethechildren.org.uk](mailto:cash_progs_support@savethechildren.org.uk)  
Additional documentation that can be provided includes:

- 1) CFW sample organogram
- 2) CFW weekly registration form
- 3) CFW sample activity monitoring form
- 4) CFW complaints form