

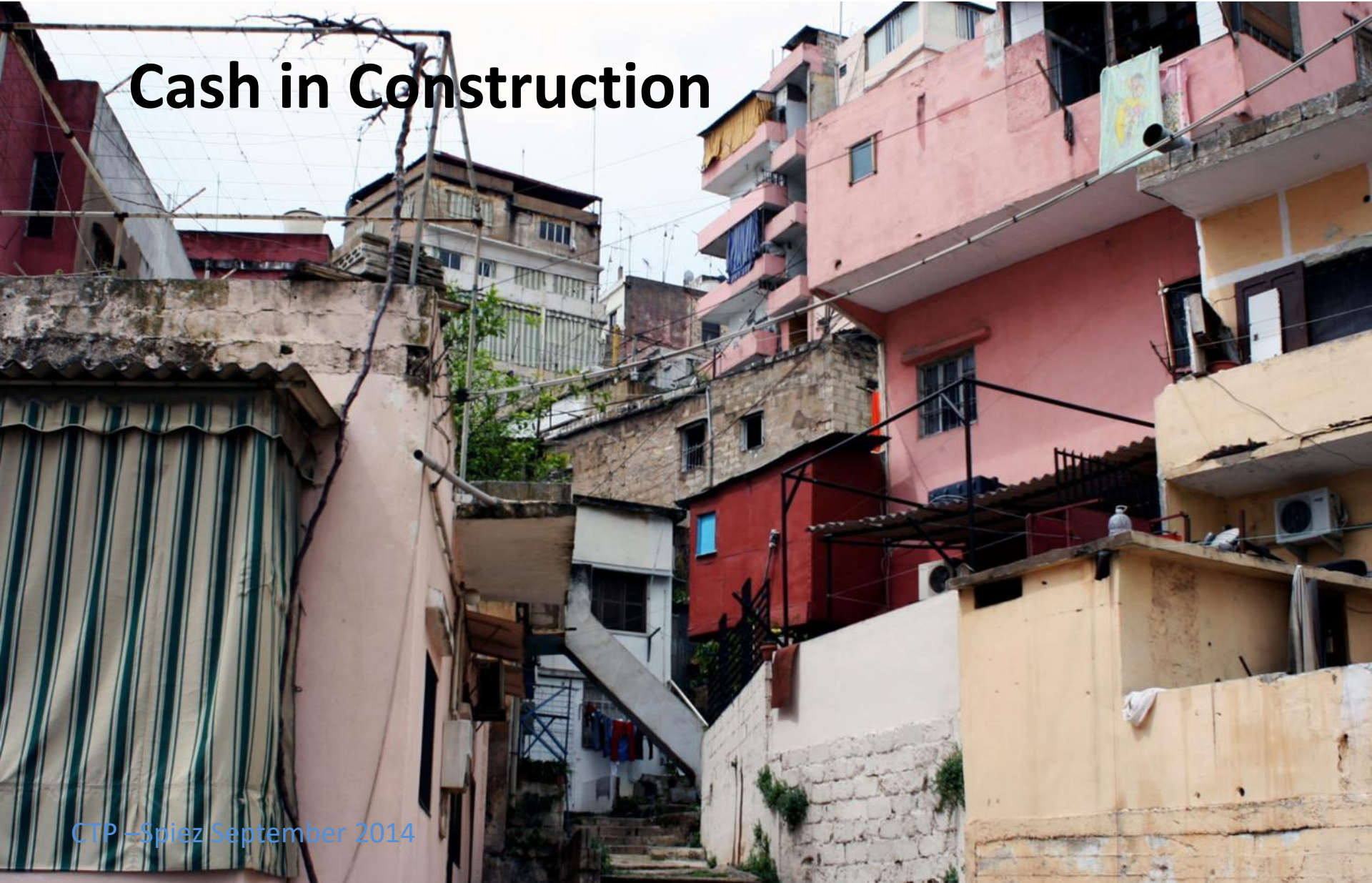


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# Cash in Construction

CTP – Spiez September 2014





# Basic Preconditions

- **Will people be able to buy what they need, at reasonable prices?**

Local availability of commodities to meet needs

Functioning and accessible markets

- **Can cash be delivered and spent safely?**

Functioning cash distribution networks

Safety/Security



# Rationale

- **Cost-effectiveness and flexibility**

Avoids transport, storage and distribution costs of in-kind assistance.

- **Economic recovery**

Stimulates the local economy and helps it recover.

- **Dignity, choice and empowerment**

Beneficiaries decide about their own welfare.

Often in-kind distributions are not adapted (culture, gender).



# Challenges

- **Acceptance** (agencies, community, authorities, donors)
- **Resources, skills and capacities** (agencies)
- **Adapted assessment** (beneficiaries identification, risks)
- **Market analysis** (trends, impact on markets, EMMA toolkit)
- **Monitoring of grant use** (misuse, fraud)



# Opportunities

- **Simplified implementation** Potential expansion of response capacity, multi-agency simultaneous contribution.
- **Protection** Invisibility of cash transfers (queues, extortion, jealousy).
- **Integration** reduction of refugees and host community frictions (activation of local markets, interaction).
- **Continuity.** Projects can continue when security or climate prevents access to beneficiaries (electronic payments)



# Potential programming

<b>Emergency shelter</b>	Cash for rent, cash for host families, unrestricted cash, vouchers (material, kits)
<b>Transition/Repair</b>	Cash for repair (houses, community bldgs.) Restricted community grants
<b>Reconstruction</b>	Homeowner driven reconstruction
<b>Infrastructure</b>	Cash for work (roads, rubble cleaning)



# Forms of transfer

- **Unrestricted cash grant**

If assessments show that shelter is the main expenditure.

- **Restricted cash grant**

Particularly adapted to repair/reconstruction. Permits clear conditions.  
Usually paid in instalments.

- **Voucher (paper token or e-card)**

Favourable for material (shelter kits, fairs).

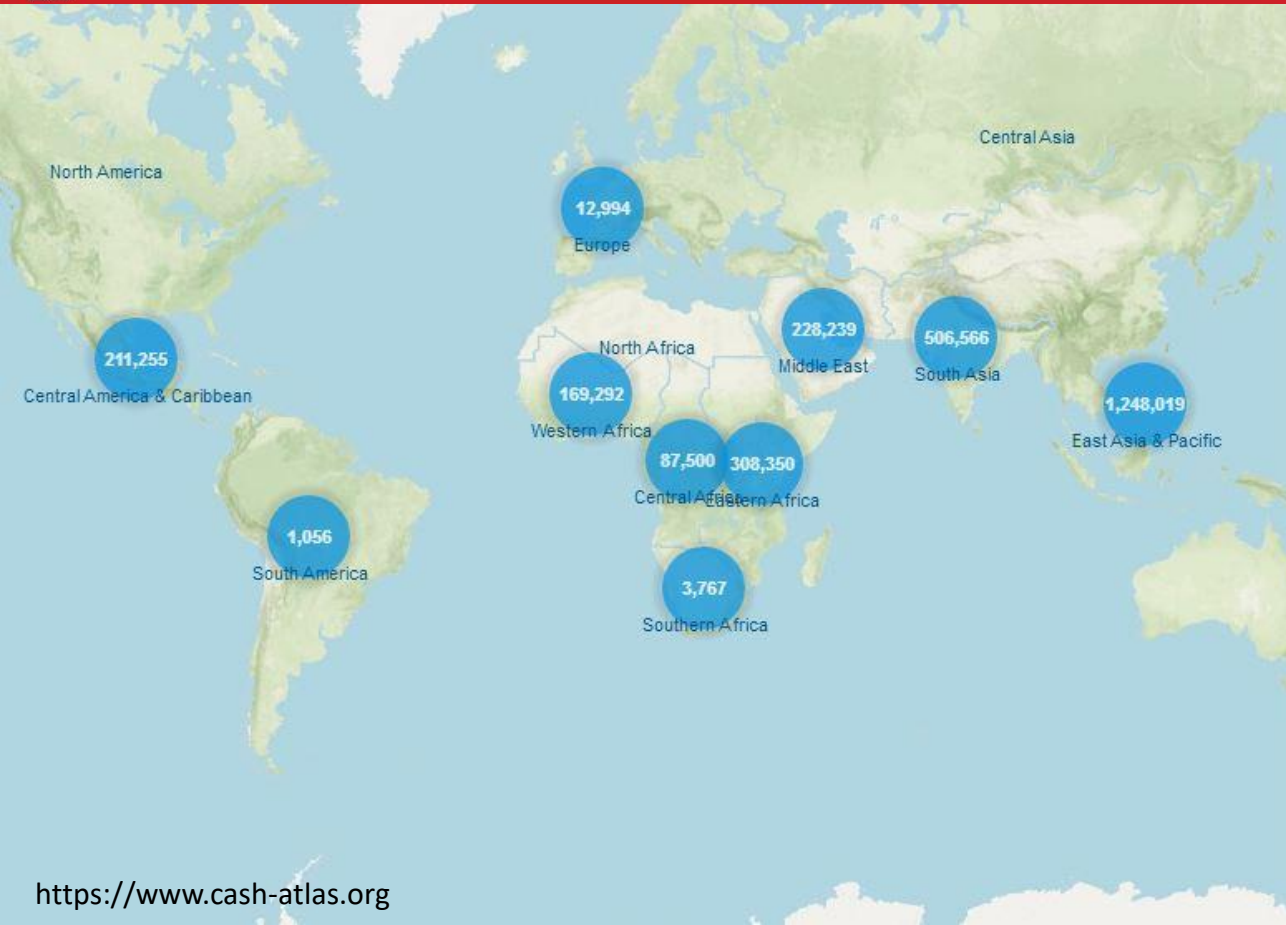
- **Cash for work**

Can be used as a complementary programme (labour).



# Situation

Shelter related CTP projects as per the CaLP Cash Atlas / 2014



Projects

103

Beneficiaries

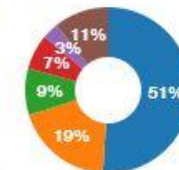
3,275,391

Amount

€ 87,972,205

Organisations

Number of beneficiaries per organisations:



- IFRC/National Societies **1,670,764**
- Action Contre la Faim - ACF International **627,159**
- International Organization for Migration (IOM) **297,806**
- OXFAM **225,900**
- Agency for Technical Cooperation and Development (ACTED) **102,900**
- Others **350,862**



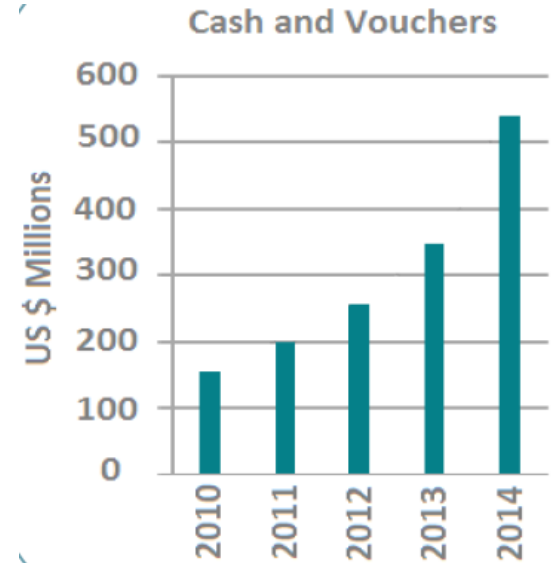


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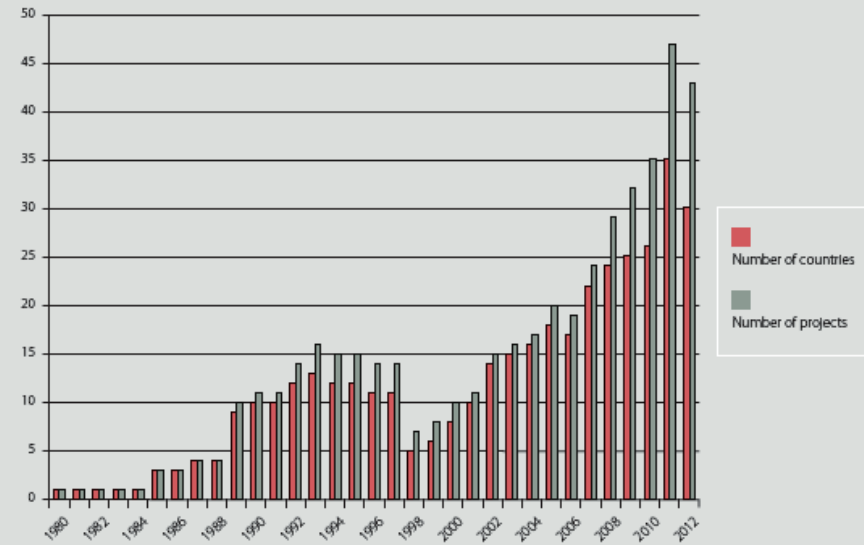
# Trends

WFP



UNHCR

Figure 1: Evolution in the number of UNHCR cash-based projects



Global

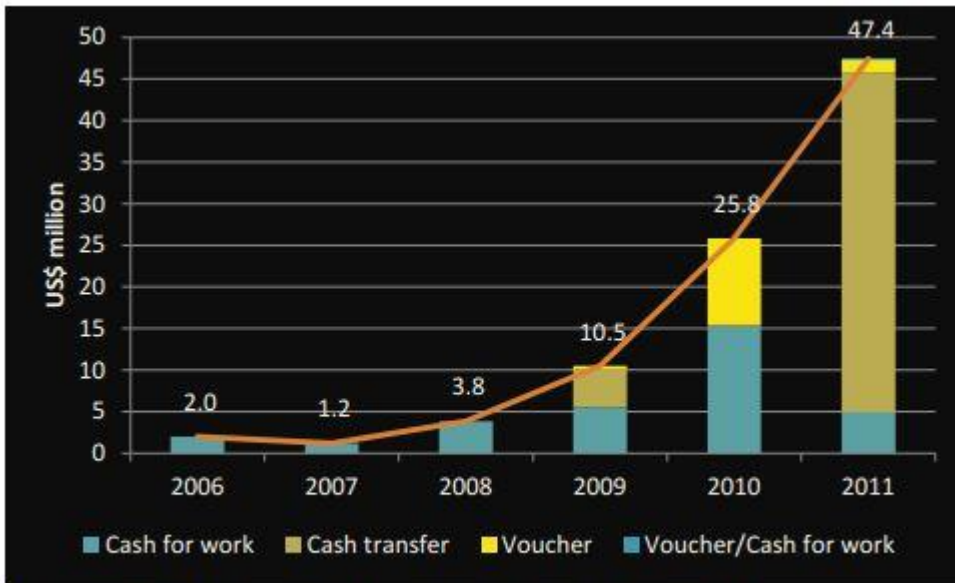


Figure 5: Types of cash transfer funding for partial programmes, 2006-2011.

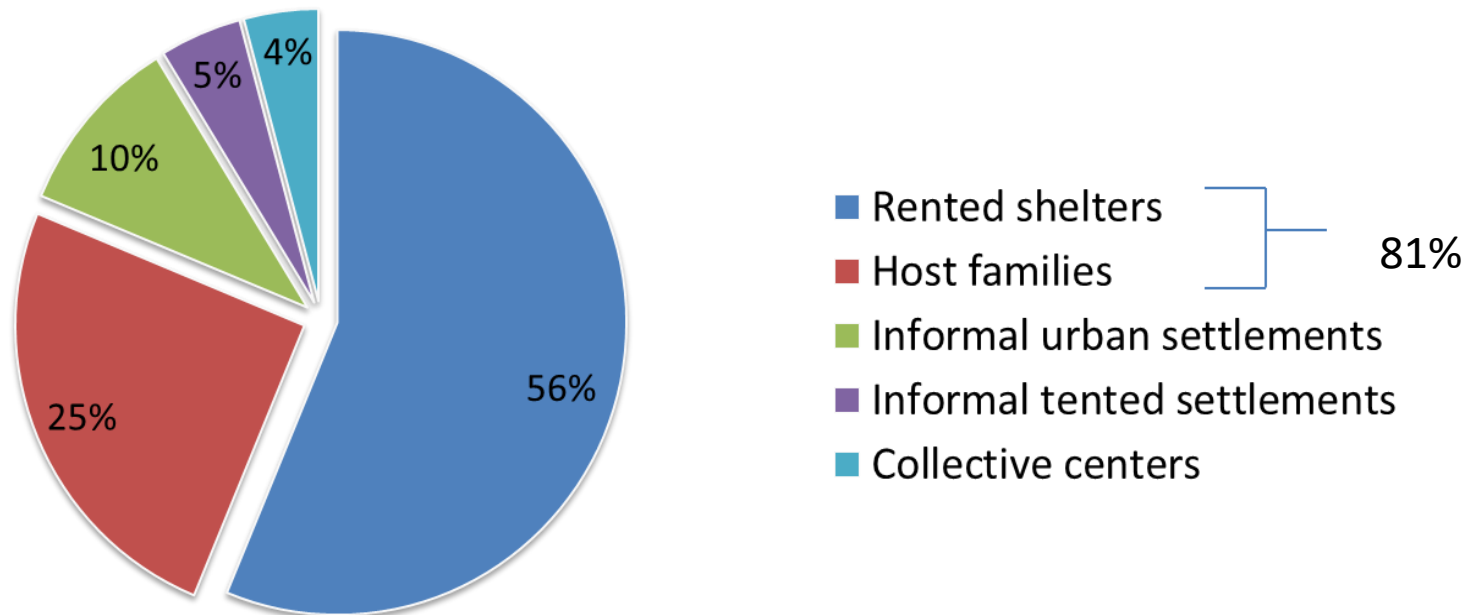
Source: Development Initiatives based on UN OCHA FTS



# Needs (example Lebanon 2014)

The two main expenditures for Syrian refugees:

- Shelter (60 to 70%)
- Food (20 to 30%)





# Modalities

## **Full self-help**

(Cash = yes)

Conditional cash grants in installments

Project supervisors provide technical expertise

## **Partial self-help**

(Cash = possible)

NGOs provide construction materials (kits)

Beneficiaries build their shelter

Project supervisors provide technical expertise

## **Contracted**

(Cash = no)

Contractor builds the shelters

Project supervisors monitor implementation



# Process

## **Beneficiary identification**

Selection criteria

Initial lists

Appeals, complaints & grievances

## **Payment release**

Final master list

Cash/vouchers distributed

Cash withdrawn / vouchers redeemed

## **Monitoring and survey**

Post Distribution Monitoring

Verification

Outcome (Impact) monitoring



# Advantages/Risks

## Ownership

Families participate to the construction process

Risk: individual needs vs community interests

## Flexibility

Incremental approach (core shelter + additions)

Risk: unfinished dwellings, unsafe additions

## Diversity

Users build according to their needs

Risk: shelters above minimal standards (debts)



# Advantages/Risks

## **Self-construction**

Rapid and adapted, no displacement

Risk: inappropriate designs, poor quality

## **Rent/Hosting**

Immediate and inclusive (local integration)

Risk: exit, poor services and shelter quality

## **Repairs**

Durable (permanent solution), improvement

Risk: damaged/unstable structures, poor services



# Mitigation

## **Quality**

Technical advice and support, training  
Phased payments (restricted)

## **Services**

Tripartite agreements, regular assessments  
Mains services contracted (eg WASH)

## **Structure**

Technical assessments  
Structure/core unit contracted

## **Materials**

Vouchers (vendors, fairs), kits provided



# Reminders

## **Gender**

Layout, privacy, distances, intrusion (locks), light, ...

## **Vulnerable**

Elderly, disabled, ...

## **DRR**

BBB, Earthquake and cyclone resistance, floods, ...

## **Climate**

Ventilation, insulation, plinths, ...

## **Resources**

Salvage materials, allow future reuse of materials

## **Environment**

Water, natural resources, erosion, ...

## **Assets**

Productive assets, negative coping mechanisms





# New technologies in CTP

- Biometrics (Iris recognition)
- PDA (Personal Digital Assistant)
- DDG (Digital Data Gathering)
- ODK (Open Data Kits)
- PoS (Point of Sale Device)
- Smart Cards
- Mobile money

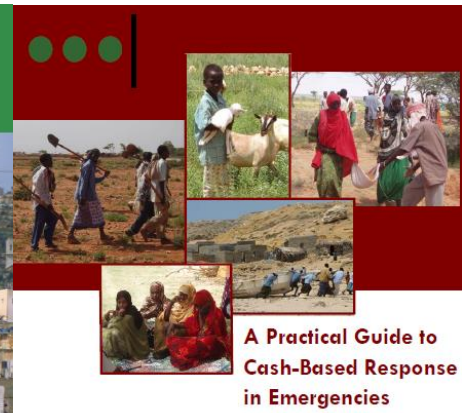
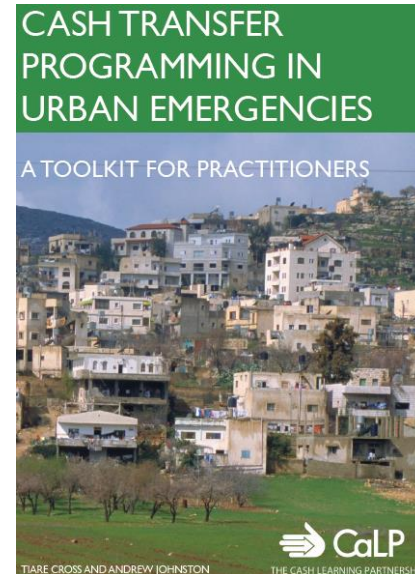




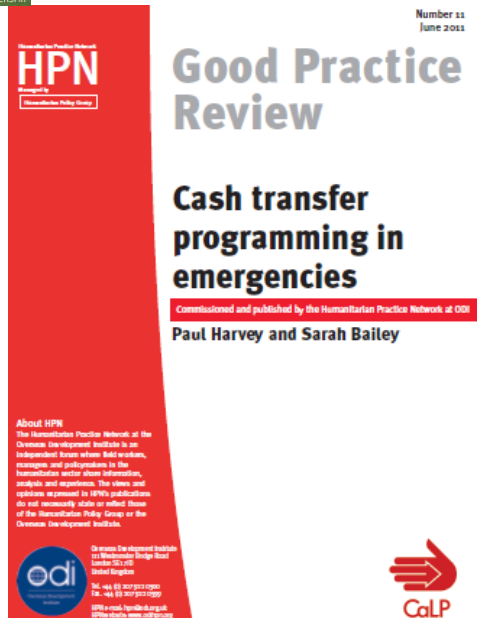
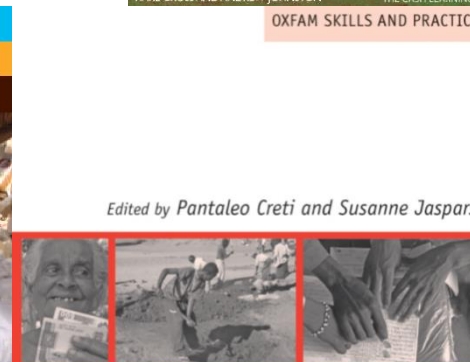
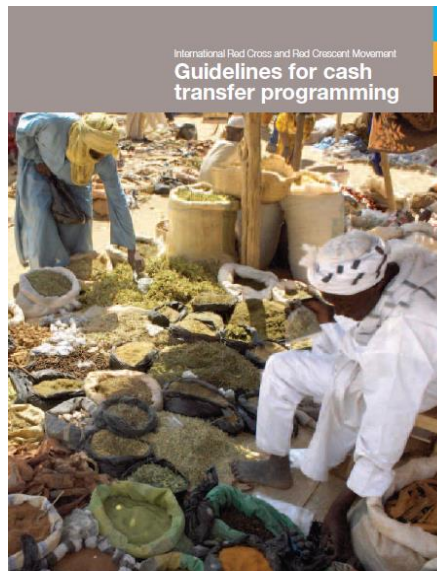
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# Toolkits & Guidelines



## Cash transfers in emergencies: A practical field guide





# Food for thought

## **We aren't good at understanding markets**

Cash, markets and private sector operators are turned exclusively towards profit.

## **We are less comfortable with empowerment than we would like to believe**

The fact that we ask whether people will spend money responsibly is at odds with ambitions to empower people, and certainly implies distrust.

## **We are territorial**

Unconditional cash transfers allow people to meet a variety of needs that cut across agency mandates.

## **We are risk-averse**

Agencies often opt for a 'better safe than sorry' approach and deliver in-kind assistance, in the belief that it is better not to take a chance with new methods.

## **We are conservative**

In the field we do not trust technologies that we use daily back home.

*Adapted from Sarah Bailey in Humanitarian Exchange Magazine issue 51 / July 2011 – what cash transfer tell us about the international humanitarian community*



# Questions



Cash as a form of assistance is not new, Clara Barton, founder of the American Red Cross, helped to organise cash relief following the Franco-Prussian War of 1870.