

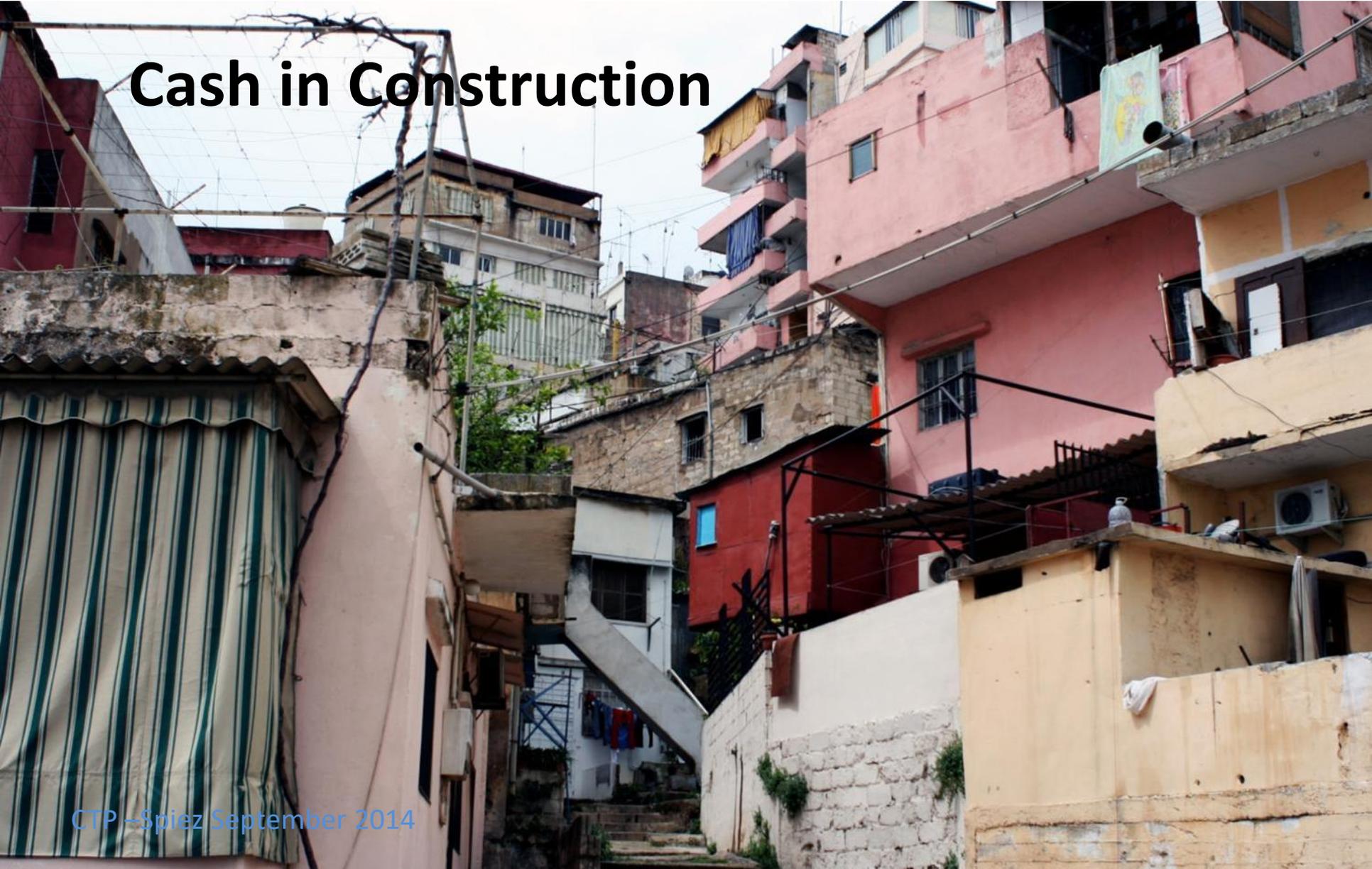


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Federal Department of Foreign Affairs FDFA
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Cash in Construction

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

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

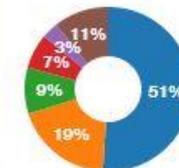
3,275,391

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**

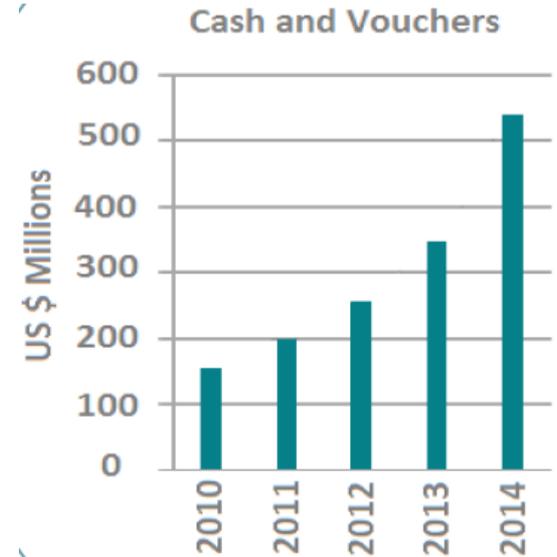


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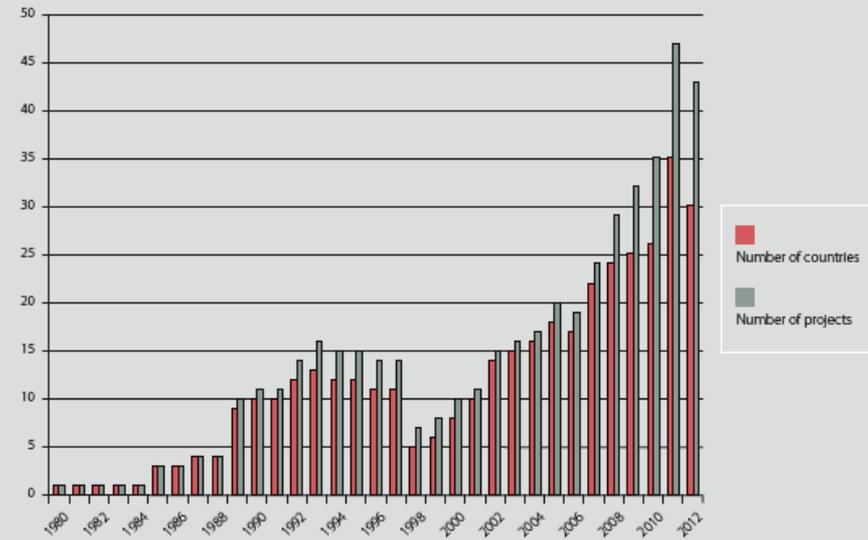
Trends

WFP



UNHCR

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



Global

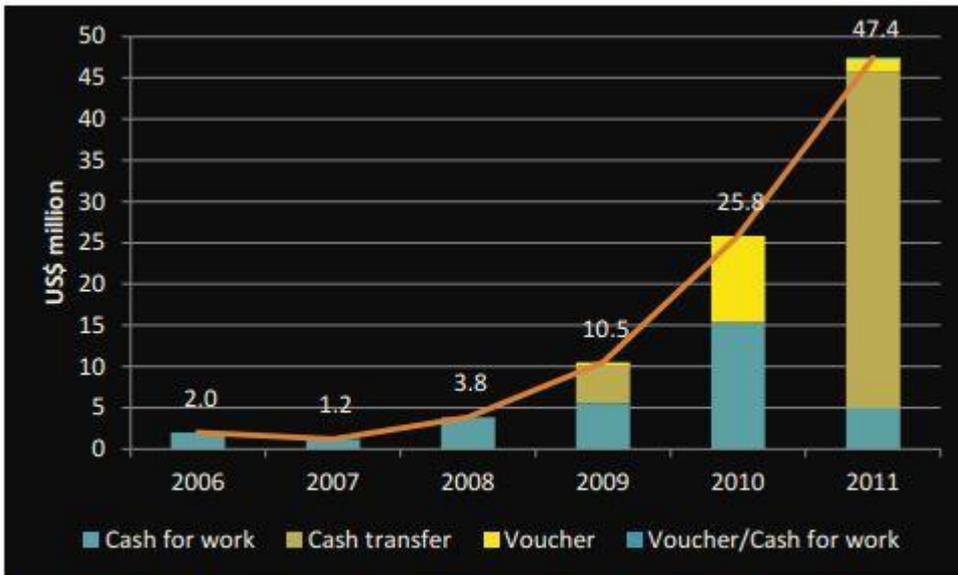


Figure 5: Types of cash transfer funding for partial programmes, 2006-2011.

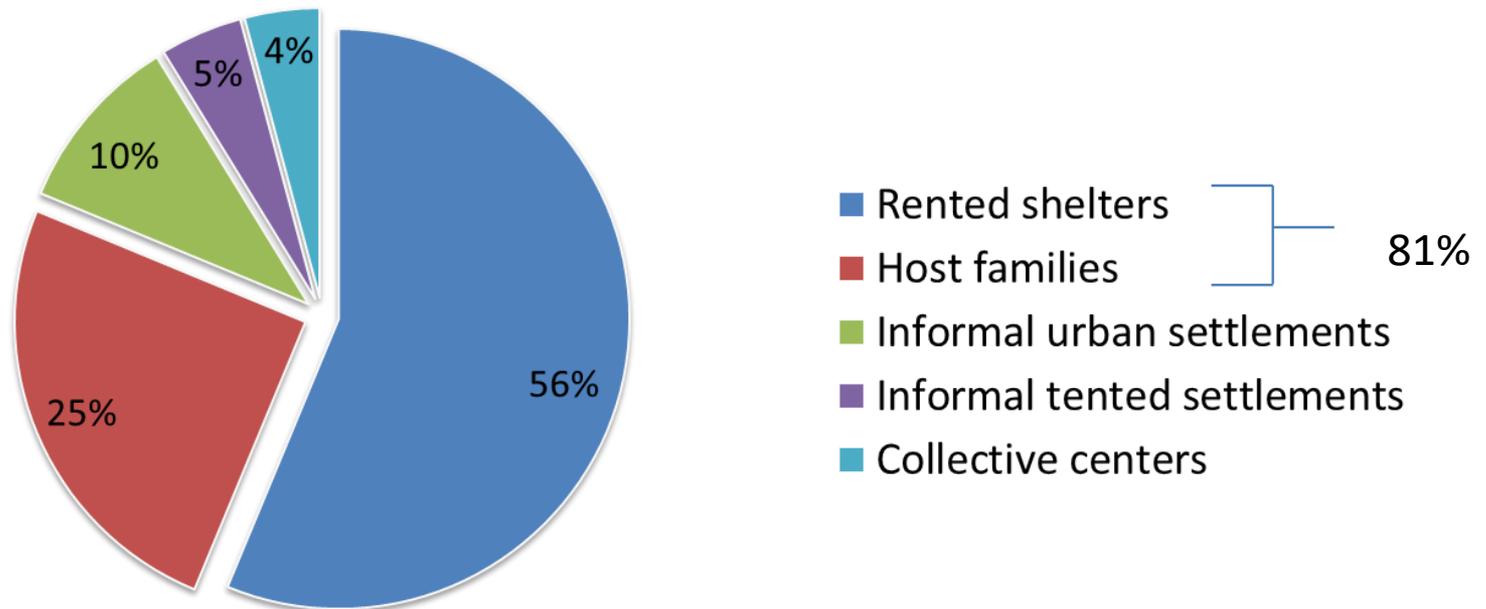
Source: Development Initiatives based on UN OCHA FTS



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

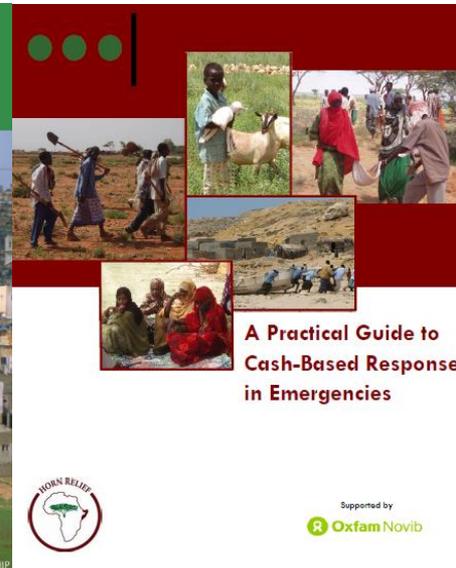
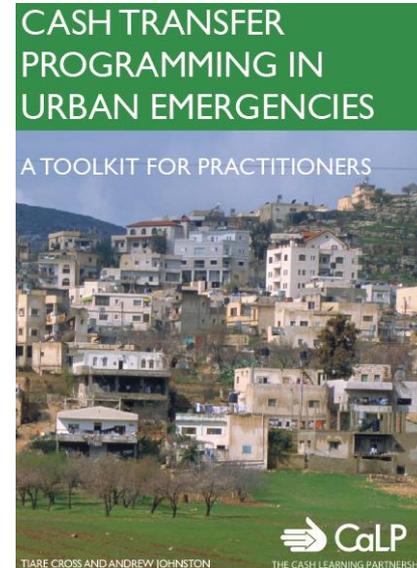




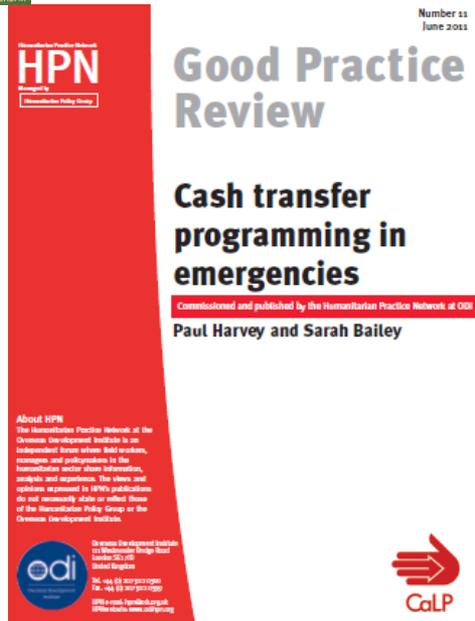
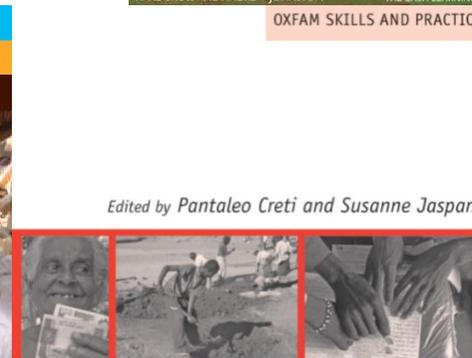
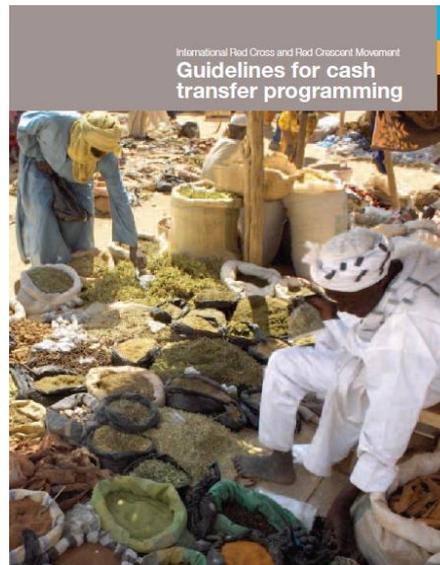
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Toolkits & Guidelines



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.