

Red Card: Repair and Development in Chile CaLP Newsletter Supplement, July 2011

On 27 February 2010, an earthquake measuring magnitude 8.8 on the Richter scale struck Chile. This earthquake was then followed by an equally devastating tsunami which doubled the disaster and left more than 480 people dead, more than 1.8 million people affected, 81,000 homes destroyed and some 30 billion US dollars in damages.

As part of its shelter activities in May, the Chilean Red Cross (CRC) launched its 'Tarjeta RED' (Repair and Development) debit card program, which was designed to assist 8,400 families rebuild or repair their homes or improve the liveability of their transitional shelters by allowing them to purchase needed construction materials and tools. The debit cards had a value of \$180,000 CLP (≈\$376 USD), a limited validity period, and purchases could be only be made at a network of 40 pre-designated hardware stores located in the affected regions and throughout the country. The programme was supported and later evaluated by the American Red Cross.

The Tarjeta RED, allowed beneficiaries to only buy construction materials or tools at the network affiliated hardware stores. The accompanying user's pamphlet/guide was well designed with clear instructions. The staff at a participating hardware store were knowledgeable about the program, thus eliminating difficulties for beneficiaries with the use of the card to procure their construction materials. Hardware store representatives also went to communities with product catalogues, which greatly assisted beneficiaries who had a lack of access to transportation. An independently operated call centre allowed beneficiaries to verify the amount of funds remaining on their card along with the location of participating stores.

On evaluation of using the card, out of the sample interviews on the first round of distributions, key findings included:

- 98% found the products that they needed at the hardware store
- 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.
- All of the focus groups felt that the process of choosing and buying the materials was a collaborative process amongst their family members, based on their collective needs for improving their homes.
- One of the focus groups noted that more time should be given for the use of the card or it should have been distributed earlier than it was.

The Tarjeta RED was evaluated as a valuable and innovative early recovery tool that allowed families to make their transitional shelters more habitable for the time period that it will take for permanent housing solutions to be finalized or in making repairs to their permanent homes. Overall, there was a very positive reception of this cash for shelter program by the beneficiaries, community leaders, local authorities and the media; and it is anticipated that the outcomes of the program will help lead to a more rapid recovery from this disaster by the beneficiaries and their communities. In line with the reasoning for choosing this method of shelter assistance, as outlined by the Chilean Red Cross in their Plan of Action, the Tarjeta RED has allowed the beneficiaries to meet their own unique needs, empowered them to participate in their return to a stable housing situation and contributed to strengthening economic activity in the affected regions.

Read more: <http://www.ifrc.org/en/news-and-media/news-stories/americas/chile/chile-the-red-card-brings-me-closer-to-returning-home/>

Watch the video: <http://www.youtube.com/watch?v=TEQz-UzTwaI>