

Inter-Agency Impact Assessment of the Cash Transfer Programs in West Sumatra

Catholic Relief Services
Mercy Corps
Oxfam GB
Save the Children

FINAL

**By Martin Aspin
Evaluation Consultant
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List of Acronyms

ALNAP	Active Learning Network for Accountability and Performance
CaLP	Global cash learning project
CRS	Catholic Relief Services
CTP	Cash Transfer Program
DFID	Department of Foreign Affairs and International Development
IFRC	International Federation Red Cross
NGO	Non Government Organisation
OCHA	Office for the Coordination of Humanitarian Affairs
ODI	Overseas Development Institute
UNDP	United Nations Development Program
UNICEF	United Nations Children's Fund
USD	United States Dollars
WFP	World Food Program

Acknowledgements

Many thanks to the teams from Oxfam, CRS, Save the Children and Mercy Corps for sharing their experiences and providing introductions to local partners and beneficiaries across West Sumatra. It was a great honour to visit households affected by the 2009 earthquake and I appreciate the incredible resilience and strength of recovery shown by communities in West Sumatra.

Executive Summary

Following the 2009 earthquake in West Sumatra, cash transfer programming (CTP) has proven successful in delivering a fast and effective recovery response—providing households the opportunity to recover shelter and basic needs for their livelihoods. Success of these CTPs has been supported well by the IASC Clusters Coordination system, which has enabled agencies to coordinate for greater impact and more effective activities.

The following assessment examines four agencies' CTPs and how they coordinated to assist West Sumatra household's recovery in the months following the earthquake. The assessment recognises that programs had strong positive economic and social impacts and has highlighted the many advantages and disadvantages of each method. The assessment also examined lessons learned and documented key recommendation for developing best practice and advocacy for future cash programming.

The assessment found that overall agencies worked well together utilising formal **cluster coordination groups** and informal relationships developed through working in a highly dynamic environment following the earthquake. There was no formal "cash group" established early which effected the ability of agencies to coordinate early cash response levels, however six weeks after the earthquake a dedicated shelter group commenced coordination of cash activities. Coordination was strong amongst the four agencies, by assisting each other with programming support and information sharing in areas such as household vulnerability data and local leadership structures.

Program **design** was varied amongst the agencies with key advantages and success across all agencies characterised by: utilising existing local leadership structures, providing adequate cash in tranches to ensure funds are spent on shelter, cash distribution by PT Pos, and strong socialisation and verification processes. Disadvantages to some designs included: systems which did not factor labour costs, and varied assistance levels based on subjective structural assessment. Overall the design of programs was effective and elements reconcile with leading international best practice including the Humanitarian Policy group's Cash Learning Project and 'CaLP (Cash Learning Partnership)' an initiative of British Red Cross, Save the Children UK, Oxfam GB, Norwegian Refugee Council, and Action Against Hunger US supported by ECHO. The CaLP initiative is helping to highlight the successes of CTP and provide an advocacy tool to donors.

Examining the **impact** of the CTP indicated that significant positive change occurred in the socio-economic wellbeing of households and their local economies. Household security improved with most households rebuilding or improving old homes. Over 85% of households used their cash transfers/vouchers for buying building materials, while the remaining 15% spent the money on food and household livelihoods. Furthermore CTP had significant indirect benefits to the community. The economic multiplier effect of the cash transfers helped to re-energise local markets and traders and injected increased economic activity into the local economies across West Sumatra.

In implementing CTP, agencies have **learnt key lessons** that will ensure future programming is more effective. Agencies should work closely together immediately after the disaster to ensure parity on amounts distributed and mechanisms utilised. Information sharing is key in addition to understanding and working with local leadership structures. These structures have proven to be of vital importance assisting with key activities such as verification and socialisation of programming. These structures play important roles helping agencies identify the most vulnerable members in the community and maximising the impact the program.

Key recommendations from this assessment include the establishment of a set of CTP guidelines and best practice for future emergencies. Agencies should expand the use of CTP in responding to emergency as it is fast, flexible and has immediate benefit. Using market assessment and strong verification processes ensure an environment will sustain a CTP. Agencies should continue to supplement CTP with capacity building, which has shown to increase the impact by demonstrating

best practice in areas such as safe shelter construction.

A learning workshop in Padang on 6 April 2010 was organised to present findings from the assessment. It provided an opportunity for agencies and partners to share best practice and develop some **practical steps for advocating** to donors for CTP. Steps included; understanding and proving the ideal conditions for CTP, developing a cost benefit of CTP verses other types of programming to determine efficiency savings, develop forums for developing skills in CTP, *and* developing a group strategy and CTP package to present to donors.

By using the experience of West Sumatra and previous successful responses such as Yogyakarta Earthquake and Aceh Tsunami, agencies are now better placed to demonstrate to donors that CTP in Indonesia is a successful option for responding to emergencies.

1. Background to West Sumatra programming context

On September 30, 2009, two earthquakes measuring 7.6 and 6.2 on the Richter scale struck the coast of West Sumatra Indonesia. The Agency for Disaster Management (BNPB) in Indonesia reported a death toll of over 1200 people with several thousand people injured. Over 249,000¹ homes were damaged including 114,000, which were heavily damaged and not suitable for use. Adding to household trauma was the reduction in livelihoods due to landslides effecting farmland and businesses and income earners needing time away from work to secure family shelter.

Swift emergency response coordinated by the international community and the government was implemented by many agencies, including CRS, Mercy Corps, Oxfam, and Save the Children, ensuring early rapid deployment of essential non-food items and temporary shelters to the worst effected areas in Pariaman, Agam, and Pasaman Barat. Items such as tarpaulins and emergency shelter toolkits were distributed widely across West Sumatra to ensure basic needs were met. The Indonesian Government's response included USD15 for each household to buy essential food items immediately following the earthquake.

During the emergency, agencies worked together through sector coordination mechanisms such as the Shelter Cluster and the Early Recovery Cluster. The main aim was to build safe places to live and help re-establish livelihoods. To support temporary shelter programs **cash programming**² were deemed to be the most appropriate method. The environment was sound for this method, as vulnerable households needed fast and flexible ways to rebuild or repair their homes. Soon after the earthquake, households were already salvaging materials however they needed more support to build safer shelters. With the cash they would be able to purchase building materials and construct a temporary shelter or improve existing structures.

To support this initiative there were two helpful factors. One was a functioning market environment, which had available materials and stable prices. The cash provided fast and effective purchasing power to households so they could access shelter materials from local suppliers. Secondly, local government structures were well established in West Sumatra, and had done cash transfer programs in past emergencies, and supported the implementation of cash transfer programming in this emergency. Local government was particularly helpful at the district level with verification and socialisation of activities. Agencies in the clusters were well aware of the role and importance of designing programs that included local authorities as they have previously proven to be successful agents for facilitating and promoting CTP initiatives.

West Sumatra cash transfer programming has also been shaped by agencies previous experiences in Yogyakarta and Banda Aceh following earthquake in 2006 and the 2004 tsunami. CTP advocates such as Oxfam and others have show that CTP can work when targeted well and supported by local communities. Additional support from partners such as Build Change has provided key capacity initiatives like introducing new safer shelter construction techniques, using appropriate local materials and low-tech solutions that have been quickly adapted by households in West Sumatra.

Furthermore lessons from Aceh and Yogyakarta, indicate that strong assessment and verification processes are essential to the success of cash transfer programs. Agencies in West Sumatra have been able to learn from these and provide strong assessment and selection tools and deploy experienced staff to provide socialisation and monitoring of cash transfer initiatives.

¹ BNPS 2009, Indonesia National statistics

² Cash programming includes cash and vouchers.

2. Introduction to the Assessment

Inter-agency purpose

The evaluation process is designed to consolidate findings and facilitate a learning process for an Inter-Agency Impact Assessment of the Cash Transfer Programs in West Sumatra following the 2009 earthquake and will be used by CRS, Oxfam GB, Save the Children and Mercy Corps. The terms of reference and schedule of the assessment is listed in annex 1 and 2.

Assessment objectives

- Document the process undertaken by the participating agencies to determine the use of CTP, the type of cash transfer, and the various methodologies for the provision of temporary shelter;
- Consolidate findings from the participating agencies on the impact of cash transfer programming in the communities, with a clear statement of key advantages and disadvantages of the various approaches;
- To provide a clear document on the lessons learned with reference to the available CTP materials (such as Oxfam, ODI, HPG, ALNAP, IFRC, ACF, etc) for both an internal audience, within the agencies, and an external audience to include government stakeholders and donors; and
- To facilitate a debriefing workshop in which the agencies discuss the findings from the assessment project and develop recommendations for future programming.

Methodology

This evaluation has been conducted using a mixed qualitative method, utilising existing project documentation, key informant interviews and site visits to program areas in West Sumatra. This was an efficient method given both time and resource constraints to determine the impact of the program and identify recommendations for future CTP. Recommendations will assist developing best practice for programming and guidelines for advocacy in emergency situations.

The evaluation team reviewed key documents and evaluation reports from the four agencies' programs with a full list tabled in annex 3. Interviews were conducted with program staff, local partners, cluster coordinators, community leaders and beneficiaries to examine program activities from a variety of perspectives. A full list of key informants interviews is shown in Annex 4.

Semi-structured interviews were guided by targeted questions prepared for the evaluation. These questions examined the impacts of the project, explored the mechanism and tools used, and coordination between agencies.

Site visits to Padang, Pariaman and Agam were conducted with each agency to meet program staff and discuss CTP activities. The evaluation team was able to meet local leaders, provincial government, suppliers and beneficiaries to examine approaches to cash programming including the assessment, verification and distribution of grants. All findings were presented to agencies and their partners in a workshop conducted in Padang on 6 April 2010.

Main questions addressed

Semi structured interviews examined the following areas below. A full list of questions is included at Annex 5³.

³ Note not all questions were applicable to all stakeholders.

- **Impact of cash / vouchers on households.** What are the socio-economic impacts of such programming in West Sumatra? What are the changes in household security and livelihoods.
- **Different approaches to cash / voucher delivery.** What are the best options in the context of West Sumatra for giving the most lasting benefits to households?
- **Main challenges of CTP.** What can be done differently and how can we use this experience to build best practice guidelines for CTP? How can we use this experience to advocate for CTP?
- **Cluster Coordination.** How can we better use this model to provide support to cash transfer programs? How can agencies better implement CTP in similar context?

3. Overview of Cash Transfer Programming (CTP)

3.1 Precedent in Indonesia

Following recent emergencies such as the 2006 earthquake in Yogyakarta and 2004 Tsunami in Aceh, Indonesia has many recent examples of successful CTP.

Examples include the British Red Cross' large-scale CTP livelihoods program across Aceh following the 2004 Tsunami. The program quickly and effectively delivered support to households to help recover their homes and livelihoods. The program provided flexible unconditional grants to households and additional technical capacity building to assist household recovery. The capacity building component improved engagement with the households and increased recovery by up to 20%⁴ with improvements in household socio-economic indicators such as savings and income.

Furthermore, CTP advocates including Indonesia practitioners Lesley Adams⁵, Paul Harvey, Dr Shannon Doocy⁶, Radhika Gore and Mahesh Patel⁷, as well as organisations such as ALNAP⁸ and the Overseas Development Institute (ODI) which funded the Cash learning project⁹ (also funded by Mercy Corps¹⁰, Save the Children, Oxfam, British Red Cross and Concern Worldwide) all promote the advantages of CTP in Indonesia. CTP programs are generally cheaper to run, give people more choice and have a significant multiplier effect on the local economy.

Following the 2004 Tsunami, agencies in Indonesia found cash transfers the most compelling method to provide fast and effective emergency relief. Organisations such as UNICEF, WFP, Direct Relief International and UNDP have experienced positive outcomes from implementing CTP¹¹. Several of these programs are listed in Annex 6: Additional resources. Key design elements that worked well included; developing key links to local leadership, strong market and household assessments and skilled staff with strong community facilitation and monitoring skills. These agencies found CTP the most effective way to provide aid in a dignified method and CTP also gave women and the most vulnerable more decision making power over resources.

3.2 Justification for using CTP in West Sumatra Response

Following the 2009 West Sumatra earthquake, cash distribution provided immediate benefit and served as an efficient mechanism for providing rapid assistance. Key in implementing CTP, was the need to provide fast relief so households had flexibility to buy materials to support shelter construction.

Local conditions for supporting CTP were sound and included effective working markets, which were able to supply materials and support demand while holding prices relatively stable. Cash transfers / vouchers have helped local markets by generating activity and improving local economies as people purchase additional shelter materials and household items locally.

Cash voucher and both conditional and unconditional cash transfers were the preferred program methodology, over cash for work programs, as cash was seen to provide immediate benefit without the burden of households having to spend time working on community projects instead of

4 Aspin, M, British Red Cross Cash Grant Livelihoods Program Evaluation, June 2008.

5 Cash-based transfers – and alternatives – in tsunami recovery programs, Humanitarian Practice Network Adams, L. (2005).

Cash Learning Project, ODI. Retrieved July 4, 2006 from <http://www.odihpn.org/report.asp?ID=2761>

Adams, L., Meehan, L., & Satriana, S. (2005). Workshop report: ODI/UNDP Cash learning project

workshop in Aceh, Indonesia: To share experience and learning for cash interventions. London: ODI.

http://www.unicef.org/files/Cash_transfers_in_emergencies_-_A_review_drawing_upon_the_tsunami_and_other_experience.pdf

6 Dr Shannon Doocy, Diane Johnson, MA and Courtland Robinson, PhD; 2004, Cash Grants in Humanitarian Assistance: A Nongovernmental Organization

Experience in Aceh <http://www.dmphp.org/cgi/content/abstract/2/2/95>

7 Radhika Gore and Mahesh Patel, October 2006; Cash transfers in emergencies: A review drawing upon the tsunami and other experience. Social Policy

and Economic Analysis, UNICEF East Asia and the Pacific Regional Office, Bangkok, Thailand.

8 <http://www.alnap.org/resource/3323.aspx>

9 ODI & UNDP 2005, Cash learning workshop http://www.odi.org.uk/hpg/meetings/Cash_learning_workshop.pdf

10 http://www.odi.org.uk/hpg/papers/Mercy_Corps_aceh.pdf

11 <http://www.humanitarianreform.org/humanitarianreform/Portals/1/cluster%20approach%20page/clusters%20pages/Nutrition/Cash%20Transfers%20in%20Emergencies%20Summary%20UNICEF%202007.pdf>

rebuilding their own homes. With cash, households can continue the recovery process such as building transitional shelter and recovering household livelihoods. Cash for work requires a time input from households which would replace income earning opportunities and important time spent with families that may be grieving. Cash for work is also not appropriate for the most vulnerable such as female-headed households, the elderly and the disabled. These groups would find it difficult to work, especially if they were required to be away from their homes and family. Cash for work has its own unique set of circumstance where it should be implemented. Cash for work programming is better suited in situations where waged employment opportunities are lost and where there are large-scale projects, which benefit the whole community. Additionally, during the early days of the emergency response, agencies were specifically requested not to do cash for work activities, so as not to undermine the *gotong royong*, or communal work culture, that exists in West Sumatra.

CTP is generally well understood by communities in Indonesia. Government cash transfers have been widely used across the country following the major disasters. Communities have been assisted with cash transfers following most of the recent disasters including the Tsunami in Aceh, earthquakes across Yogyakarta and Nias as well as floods across Java and in West Sumatra after the 2007 earthquake. Overall community acceptance provided a strong basis for implementing CTP in West Sumatra.

The previous reluctance by donors to fund cash transfer programs stems from their perceived associated risks. Cash is said to be susceptible to theft, corruption and misuse. If done incorrectly, can cause inflation and distort local markets. And like all program is prone to targeting error in beneficiary selection. However, we have seen that organisations including CRS and Oxfam have demonstrated comprehensive assessment and verification tools as well as strong monitoring and financial systems to avoid duplications and fraud.

Further study of CTP by Jaspars and Creti¹² (2006) and Harvey (2007) indicate that organisations are finding solutions to mitigate these risks and the effectiveness of cash may well outweigh its risks. There is therefore a strong case put to donors and NGOs to consider incorporating cash-based interventions in future emergency responses.

3.3 Presentation of each agency's program design

The following section examines agencies program design and considers why CTP were considered the appropriate response following the 2009 earthquake in West Sumatra. Each agency designed and implemented their programs within their own framework and to meet specific donor requirement. All agencies participated in the various emergency clusters, including the shelter cluster and the early recovery cluster, which helped with information management and coordinated sector specific responses.

3.3.1 CRS

CRS was one of the first on the ground with experienced staff and experience in establishing CTP systems from previous disasters in Aceh, Yogyakarta and Pakistan. Working in Agam and Pasaman Barat districts, CRS quickly identified the environment was healthy for a CTP. Markets were functioning with relatively stable prices and able to cope with influx of cash used to purchase shelter materials.

CRS had the skills and experience to manage a shelter program with many of its staff having design and implementation experience in Yogyakarta and Aceh and strong agency-wide support for CTP. Following emergency shelter/NFI distributions in October and November, the 'cash grant transitional shelter program' was one of CRS' only program. The dedicated concentration on shelter allowed CRS and local partner Walhi, who worked alongside CRS on all aspects of program implementation, to increase their focus, channel resources and allow a wide geographical area to be covered.

¹² http://publications.oxfam.org.uk/oxfam/add_info_024.asp

'Markets were healthy and we had the technical expertise to support a cash program in West Sumatra'. Bill Schmitt, West Sumatra Team Leader

CRS designed a program that used existing structures such as village leaders and that also established shelter or 'pondok' committees consisting of ten local village members (with equal gender representation) who volunteered their time to assist the program and ensured a comprehensive coverage in each village. Selection of non-leaders was intentional, so as to increase community representation and not burden the leaders.

Utilising these committees and local facilitators provided by local partner Walhi, CRS designed effective socialisation which commenced with local government and worked down to the community level. A pilot phase consisting of 276 households in Agam was established distributing 2,000,000 (approximately \$225 USD). After the pilot phase the amount was raised to 2,500,000 IDR and distributed in two tranches. Those that participated in the pilot phase were given an additional 500,000 IDR so they also received a total of 2,500,000 IDR.

Overall, payment of the second tranche was wisely held back until 80% of shelter was established. This was effectively socialised early in the program and contributed to a highly successful 98% of households commencing or spending the majority of their cash transfer on their transitional shelter.

'Most households have started construction or have the materials to commence'. Joni Mardianto, Engineer Walhi

A key design element for efficient cash distribution included the use of the post office (PT Pos). PT Pos was employed as a mobile cash facility, which enabled cash to be delivered to each sub-village, avoiding lengthy trips to banks by each household. By utilising this existing service, CRS was able to reach over 11,000 households and reduce the security risk placed on CRS staff. Feedback from CRS, PT Pos and residents show the process delivered cash transfers on time and safely.

'With the money received through PT Pos I only have to travel a short distance. The first amount I used to build walls, with this second amount I will repair the floor'. Sunan, Agam resident

CRS designed its program to include local partners and skilled technical staff. Partnering with Walhi helped rapid assessment of structural damage and provision of construction training for temporary shelters. Working with Build Change enabled CRS to develop effective tools for demonstrating new skills to communities for building safer and more sustainable shelters.

Strong monitoring of activities and cooperation with other agencies in the shelter cluster helped CRS reach over 11,000 households in 126 sub-villages. CRS assisted other agencies in the cluster group by providing verified households and recommending communities for other agencies to support *and* most importantly provided a successful model, which many agencies closely followed.

'CRS are now considered leaders in design and implementation of CTP in West Sumatra. They used existing tools and staff from their experience in other disasters in Indonesia and around the world'. Neil Brighton, OCHA Shelter Cluster Representative West Sumatra

Overall, the design of CRS' CTP was strong. It had systems in place to allow committee involvement in the design and procedures in place for community feedback through help lines and community facilitators in the field. Of this feedback, community response was highly positive with over 90% of households very happy with CRS and analysis of CTP indicate money was spent mostly on household shelter.

3.3.2 Oxfam

Oxfam GB was also one of the first agencies to implement CTP in West Sumatra. Oxfam has several programs responding to the earthquake in West Sumatra including Emergency Food Security and Livelihoods program, Shelter, Public Health and Advocacy.

Oxfam designed a Community Recovery CTP for over 6,043 households across 26 sub-villages of Koto Kampung Dalam in Padang. These sub-districts were assessed to be the most impacted by the earthquake and most vulnerable in terms of food security, livelihoods and shelter.

Households in these sub-villages were given amounts varying from 500,000 (\$60USD) to 1,500,000 IDR (\$180 USD) to help cover basic shelter and household needs. Money was distributed using BNI bank transfer as it was deemed to be a safe central location. Setting up bank accounts was deemed too difficult, as many had no experience with banking, many did not have the right identification and the amount was deemed too small for it to be efficient.

*'The amount provided was based on a assessment of needs for temporary shelter of approximately two million with assumption that households would contribute and salvage materials from previous shelters'.
Meili Narti, Emergency Food Security Livelihoods Officer Oxfam*

Additional community grants were provided in the first phase to assist with the construction of temporary shelters for; vulnerable people, improving community roads, building temporary bridges, cleaning debris and providing adequate drainage in the target areas. These groups were typically made up to ten households and received up to 5,000,000 IDR (\$600 USD). This initiative was designed to support community projects and further address the need of vulnerable households, not necessarily directly impacted by the earthquake.

Oxfam distributed cash to households at the bank to those verified with appropriate identification. A total of over IDR 7,842,360(\$850,000USD) was distributed to over 6,043 households and over IDR 931,500,000 (\$100,000 USD) to communities (1873 households).

The design of the cash transfer program attempted to:

- Targeted families to engage in their own temporary shelter construction
- Enabled beneficiaries to meet immediate food and livelihood needs
- Established long-term impacts as a result of community projects
- Mapped critical market-systems for guidance and support to the UN cluster strategy for shelter and early recovery
- Advocate on Cash Transfer Programming (CTP) for global cash learning project (CaLP)

Oxfam partnered effectively with existing local NGOs Kabisat and KPI¹³. Part of the design of the program included the use of local survey teams to assess and verify over 6000 households. Taking an entire month in December 2009, teams conducted house-to-house assessment of structural damage to determine what level of support they would receive from Oxfam. The program design also allowed for host families (families accommodating those affected) to receive a one off payment of 500,000 IDR (\$60USD). This amount provided these households with some support and was typically used for household items such as food.

*'Assessment and verification process was time consuming but allowed Oxfam to check data provided by government lists. Selection criteria wasn't always 100% clear between survey teams, however allowed all households in the affected areas to be assessed'.
Sophia, KPI Periaman.*

The design also included partnerships with Build Change, which provided much needed technical support on rebuilding safe housing. Presentations to communities on new and safer building techniques led to significant numbers implementing new techniques for their transitional shelters.

¹³ KPI – Indonesian Womens Forum NGO

Complimenting the shelter cluster, Oxfam conducted market analysis at the beginning of the program which supporting decision-making in favour of CTP. Prices were seen as favourable and relatively stable in the local markets and conducive for cash initiatives. Some small price increases were discovered in later 'price monitoring surveys' for building materials and costs of carpentry labour, however would not greatly affect the program. This analysis helped Oxfam and other agencies by improving their knowledge of local markets and determining suitability for designing CTP.

'Assessment by Oxfam found that after the earthquake local markets were functioning well and prices were stable'. Indra Kusuma, Oxfam Finance Manager

Design of the Oxfam's cash recovery program, like the most of Oxfam's humanitarian programs included advocacy. The cash transfer recovery program engaged well with local government and encouraged best practices including; strong socialisation, partnership with local partners, targeted assistance and transparent selection tools.

'Cash transfer programs should continue to engage with clusters such as shelter and recovery groups and work with local government and local NGO to promote the benefits of cash transfers and engage local communities'. Royseptia Abimanyu, Oxfam Advocacy Coordinator

The government will soon commence delivery of its own CTP to fund permanent housing. Each household will receive up to 15,000,000 IDR (\$1,700 USD). Oxfam is optimistic that local government's experience working with agency CTPs and Oxfam's continued advocacy pressure will lead to an effective and transparent implementation of government cash initiatives.

Starting in April the government will commence giving out grants for permanent housing. We will give funding in two tranches, the second dependent on receipts and proof of shelter purchases. We will monitor the spending with our local committee'. Sahur, Secretary of Village Ulakan Periaman

Oxfam is leading further advocacy with support of the Cash Learning Project (CaLP), an initiative promoting cash transfer design in emergencies. Supported by leading NGOs, the initiative saw the need for capacity building in CTPs in West Sumatra for Government and NGOs. Oxfam GB is one of the initiators for Cash Learning Partnership (CaLP) - a partnership of five INGOs funded by ECHO. In Indonesia is one of a number of countries that have delivered training in CTP for Govt and NGOs in January 2010 under CaLP funding. The CaLP initiative will focus on developing local partners and government agencies capacities in implementing CTP in emergency environments and provide a focus for advocating donors to support future CTP. Following the 2010 earthquake in Haiti, the CaLP initiative has placed a person in Haiti to act as a focal point for CTP and cash cluster coordination.

Oxfam initiated Cash Learning Project CaLP (founded also by BRC, Oxfam and three other NGOs) and delivered training in CTP for Govt and NGOs. Puspasari Indra, Technical Coordinator for Vulnerable food Security and livelihoods Oxfam

3.3.3 Mercy Corps

Mercy Corps' voucher program was designed in the first two weeks of the emergency response and was funded by DFID. The voucher program was designed to fill a gap between the immediate distribution of shelter/recovery kits and the start of the government shelter program, which provided cash transfers to households living in damaged houses. The voucher program was intended to give both men and women access to additional resources to enable them to purchase items which were essential to repairing their homes or to purchase other household items.

After early market assessments, Mercy Corps decided on 700,000 IDR (\$74 USD) per household to be provided in vouchers redeemable for building materials at local traders. This amount represented the cost of a set of basic shelter and household items which community members prioritized during the market assessment. The vouchers were also an opportunity to quickly

stimulate local market activity through vendors who had been impacted by the earthquake.

Vouchers were chosen to reduce the risk of fraud and to ensure grants were used for purchasing shelter and household materials. Originally, the voucher methodology was chosen to test new technology on mobile phone transfers; this did not happen because the mobile phone system was not reliable enough in the target area. Mercy Corps focused the vouchers program in Padang Pariaman and targeted households identified by the government to have severely damaged homes. Overall 4,103 households were provided 700,000 IDR (about \$74) of vouchers for a total just over \$300,000 USD.

The programme was set up in mid November 2009 and was completed in the third week of December. Mercy Corps had implemented vouchers programs in other emergency responses however, this was the first time Mercy Corps used vouchers for a shelter program. The programme was funded by DFID¹⁴ and ended at the end of December.

*'Mercy Corps provided information session, posters and leaflets to village leaders. Most village leaders were good advocates of the project. **Panjitresna Prawiradiputra, Mercy Corps Cash Grants Coordinator.***

The program design didn't factor in the cost of labour; it was intended for only material. The lack of available labour and the cost for labour became an issue after the implementation of the voucher program and was highlighted as an issue in the impact assessment. As a result materials were stockpiled by 50% of households while they save additional funds for more material and labour. Furthermore the amount of the Mercy Corps voucher was the smallest of the four agencies and not enough to build a complete shelter, however this was as not the objective of the project. In hindsight this amount might have been increased if Mercy Corps had knowledge of other agencies cash program. This is something that would have been shared had a cash group been established earlier in the emergency response

*'We were very happy with the way all household purchased materials with their vouchers. A lot of time and effort was invested by Mercy Corps to ensure the process was transparent and effective at providing materials from local suppliers to over 4000 households. **Erynn Carter, Mercy Corps Director, West Sumatra***

Local vendors were open of business within days of the earthquake and were able to supply materials the beneficiaries requested. Seven local traders were selected for the voucher program. MoUs were signed to ensure supply, prices were not inflated or fixed with other stores, and payments were transparent. After households were selected and verified, they received their vouchers during a one-day distribution period. Then the vouchers could be redeemed at the vendors over a five-day period in December.

*'Data from government list supplied to Mercy Corps was incomplete, so we had to perform a lot of double-checking and verification of names and home ownership information'. **Arief Nazirwan, Cash Grant Officer***

The implementation of a voucher program required a lot of financial checking and administrative work to ensure all vouchers matched household information and financial invoices were correctly processed for each trader. The demand on traders was also high, as they were required to keep all vouchers and match invoices. Mercy Corps provided additional staff to work with the traders thorough the five-day transaction period to monitor voucher redemption and assist with program implementation.

*'Households had five days to use the voucher, so each day was a big rush. It would be better to provide the order and pick up next day, reducing waiting time and providing a better service for the people' **Rini, local trader from 'Buyong Kamek' Ulakan Tapakis***

The program was designed for immediate benefit to households and vendors and ensured 100% of funds redeemed would be spent on building materials. Many households kept their materials at

¹⁴ Department of Foreign Investment and Development (UK)

the store, as they did not have a place to store building materials like wood and cement. Many others are also storing their material waiting for additional income so they can buy more materials for their permanent housing. Households were overall happy with the design of the programme and satisfied with the voucher as well as other assistance from Mercy Corps such as tool kits, tarpaulins, and hygiene kits.

3.3.4 Save the Children¹⁵

Save the Children commenced CTP in January 2010 in Padang Pariaman to compliment its extensive NFI-Shelter relief effort, between October and December 2009, which assisted over 30,000 people across West Sumatra. Design of their program took consideration of Save the Children's previous CTP experience. Additionally, the experiences and recommendations shared by cluster partners who had already commenced CTP activities in West Sumatra (including Mercy Corps, Oxfam and CRS) helped to hone program design.

In January 2010, Save the Children tested the cash-grant approach with a **pilot project**. Save the Children supported 10 households in the Korong Durian Jantung, in Aur Malingtang Sub-district. Given the success and the relevance of this project, Save the Children scaled it up to assist a further 740 households.

Save the Children utilised existing local village structures and the relationships it had developed through its initial response with communities and their leaders to facilitate and socialise the program. Local leaders assisted with the identification of communities with high need. During community socialisation, shelter committees were elected by communities who then identified priority beneficiaries. The needs and circumstances of suggested candidates were then checked and approved through house-to-house verification by staff.

Save the Children opted for a transitional shelter project through cash programming which would complement the organization's previous work, in particular the distribution of shelter materials and toolkits. CTP were selected as an appropriate approach in the West Sumatran context, since:

- They would give families greater flexibility to purchase the materials they actually required to build their shelters rather than distributing materials they may have already acquired;
- It could speed up the construction process because assessments had shown the local markets were well stocked with tools and materials;
- It significantly lowered overhead costs, so more of the grant money would go directly to affected families;
- It supported the local markets, as materials and labor would be purchased and hired locally.

With this approach, beneficiaries could choose a variety of housing solutions to support their specific needs. T-shelters and semi-permanent housing were popular among those who had lost their homes, completely, while those with non-collapsed houses elected to make improvements which would make their homes safe and habitable again.

'Six months after the earthquake some households are beginning to use funds for permanent housing so are waiting to buy stronger materials and some are using salvages materials' **Aswirman, Pondok committee member and Head of Youth Group Agam**

Design of verification and assessment focussed on the most vulnerable and consideration was given for groups such as female-headed households, families with children under 5 and the disabled. Shelter committees and Save the Children worked closely together to ensure the most vulnerable were targeted.

'Utilising existing structures in the community, a shelter committee was selected. This helped with the verification and selection criteria, which focussed on the vulnerable. The committee also helped facilitate

¹⁵ Save the children's program was still in progress at the time of the assessment and therefore not able to provide the latest information.

assessment and distribution of cash through PT Pos. **Dody Afyendra, Shelter Program Manager Save the Children**

Save the Children choose to use PT Pos as a form of cash distribution as the method was safe and effective for reaching households in more rural areas. Use of banks was eventually ruled-out, as many households did not have bank accounts or the capacity to commute from their home. Save the Children decided to award 2,585,000 IDR (\$275USD) to each household provided in two tranches, with the second dependent on completion of 80% of building works. Total value of the program is over \$230,000 USD.

'We are efficient in transferring cash and experiencing in reaching remote communities quickly.' **Ifran Agus, PT Pos Representative Bukit Tinggi for Agam**

Build Change provided capacity building training to Save the Children staff, who then trained communities in safer building practices. Following distribution, Save the Children staff were then able to carry out house-by-house monitoring and provide individual households with recommendations to support their progress to safer, more adequate shelters.

'We have seen a change in the mentality of some people who are now building safer homes, however some are still just rebuilding back same house or patching up their old house – This the challenge for future housing in Padang.' **Michael Collins, Build Change Program Manager**

Monitoring by Save the Children indicated that 98% of households have purchased materials for construction.

'From our first post-distribution monitoring, which took place two weeks after the first cash distribution, 98% of households have bought materials for housing and generally people are prioritising housing with 40% starting construction and 60% waiting for labour.' **Tracy Lucas, Program Manager Save the Children**

4. Successes and Challenges of CTP experience in West Sumatra

Successes

Cash Transfer Programming has had a strong positive effect on the communities of West Sumatra recovering from the 2009 earthquake. Between the four agencies over 20,000 households have benefited from direct cash transfers/ vouchers providing households the opportunity to rebuild shelter and restore livelihoods. Working with existing local structures such as village leaders and partnering with local NGOs, agencies have also provided capacity training to further improve the safety and sustainability of temporary shelters. Working as part of the cluster group, agencies have demonstrated support for each other in sharing ideas and resources. The below section outlines key successes from the experience of the four agencies involved in CTP:

- Agencies worked closely together to provide support, **share best practice** and knowledge of local structures. Agencies accessed the cluster groups established by the coordinating agency OCHA to access funding, successfully coordinate activities, and advocate to government and donors.
- CTP was a **fast and effective mechanism** for delivering cash to communities that need to rebuild shelter and restore household livelihoods.
- Programs **increased purchasing power** of the most vulnerable households who used the cash mostly to restore their shelters. The impact of this spending has had positive impacts on the local economy with expansion of traders and general retail business.
- Programs received **wide acceptance** by the community, provincial government, local leadership structures and local NGOs who have engaged strongly with agencies and assisted with socialisation and implementation.
- Strong assessment and verification tools were used **ensuring a transparent process** and targeting the most vulnerable households. Systems and staff with previous cash transfer experience in earlier disasters, such as Yogyakarta and Aceh were key to implementing successful programs.
- Community-wide acceptance of **successful selection methods** attributed to strong relationships with district and village leadership. Selection criteria was shared to gather input from village leaders, then posted in community spaces.
- Establishment of **shelter committees enabled fast and effective dialogue** with communities and presented as a focal point for verification of households and feedback between agencies and community.
- CTP program **addressed gender equality** by 1) ensuring pondok committees were equally represented with men and women and 2) ensuring vulnerable groups such as women, the elderly and disabled were prioritised during program implementation.
- Use of **PT Pos** (a mobile cash service offered by the National Post office) enabled cash to be transferred **directly and safely** to households through the use of mobile services. Travel by households was minimised as mobile services delivered cash transfers to households.
- Cash distributed to households was, for the most part, used as intended; with analysis showing increased **spending on shelter** occurred when larger amounts were transferred and **incentivised** with an additional 2nd tranche payment.
- Technical training focusing on shelter construction was successful as more households were demonstrating **new and safer construction methods**. However there were still a majority of households repairing old homes and using old methods. Overall, over 80% of

shelters were complying with Sphere Guidelines and with CRS' SAD guidelines¹⁶. While no comparisons were made between the construction of transitional and permanent shelters, evidence from site visits and speaking with households indicate that it is easier to build new shelters following safety guidelines than patching up pre-existing construction with limited funds. This is certainly something agencies need to consider in future planning.

- Local partners provided effective local context and experience working in West Sumatra. These partners were provided excellent opportunities through **mentoring and internships** during the emergency and non-emergency phases. Local partner staff were provided practical experience and skills from leading agencies such as Oxfam and CRS.
- Agencies demonstrated **strong monitoring** and captured information on market assessment and household shelter progress.
- Agencies continued to work with local leadership to **advocate for transparent cash programming**. Furthermore agencies such as Oxfam have lobbied government to ensure a transparent and effective process for the distribution of permanent housing grants.

Challenges

Agencies have identified and overcome a number of challenges in delivering cash transfer programming and are using lessons from previous disasters to improve cash transfer programming. The following outlines the challenges experienced by the four agencies while implementing CTP.

- **Identify the “home” cluster for cash programming immediately.** There was a lack of clarity on exactly where cash programming sat within the cluster coordination structure. Cash programming was discussed in both the Early Recovery cluster and the Shelter cluster. In this emergency, cash programming ended up in the Shelter cluster, as most agencies were targeting shelter with their cash/ voucher programs.
- Not all households were **able to complete new shelters**. The average temporary shelter (pondok) cost over 4,000,000 IDR¹⁷ so even with the maximum grant of 2,500,000 IDR people were not able to purchase a completely new shelter. Households were investing their own money to make up the difference¹⁸ and using salvaged materials for transitional and more permanent homes.
- With limited funding, a significant number of households had to **remain in their old home** or build poor quality shelters that do not meet minimum standards. Data from a CRS mid-term evaluation for one donor show that over 30% of households were living back in old homes assessed to be structurally unsafe.
- Agencies need to consider the fact that a significant number of households haven't returned to their homes and are **living in houses that were unsafe** before the earthquake. Many households have directed their cash to making their homes safer (i.e. using beams and timber for walls instead of bricks) and therefore should be considered in future planning and provision of safe building training.
- Some agencies may have benefited from sharing a **single set of guidelines** outlining amounts and mechanisms. Cash amounts were varied across the agencies with different assessments and objectives. Smaller cash transfers with no conditions often were used for

¹⁶ Safe, Adequate and Durable (SAD) guidelines established to promote and ensure safe construction of shelters.

¹⁷ CRS Final Evaluation indicating an average pondok cost 4,017,517 IDR (\$450)

¹⁸ On average 86% of households from the CRS program spent 100% of their grant on their shelter and were using their own money to invest in transitional shelters.

household items¹⁹ and livelihood recovery, whereas larger conditional grants from CRS and Save the Children reported over 95% spend on shelter materials.

- The evaluation found some committees and households felt the program was **not fully socialised** as time pressure and lack of resources did not allow program messages to be shared with the community. As a result some households felt they were not fully consulted and included.
- **Payment to shelter (pondok) committee for costs.** Several agencies experienced minor problems with households being asked for contributions to cover the costs of pondok committee members or build public infrastructure. Whether it is perceived fraud or valid contributions, the pressure on households to make additional contributions may be reduced if committee members were paid a small per diem to cover their costs such fuel for travelling to meetings.
- **Make selection criteria clear to partners and the community.** Occasionally partners and survey teams were asked to reassess housing damage and changed the initial assessment, as it was not appropriately recorded. Therefore, a challenge was to ensure the selection criteria are simple, easy to use and transparent.

¹⁹ Oxfam Grants of 500,000 – 1,500,000 IDR 64% of households reported spending a proportion on shelter, 17% on food, and 12% savings.

5. Impact of CTP in West Sumatra

Economic impact and market data analysis

The CTP had a significant economic impact on the communities and their local economy. Direct cash transfers equated to over four and a half million dollars (USD), which was provided to over 20,000 households across West Sumatra. Market data and assessment conducted within the shelter cluster indicate households spent over 85% of cash on building materials for their transitional shelter. The remaining cash was spent on household items and securing livelihoods while income earners spent time away from employment to secure their home.

The indirect impact can be measured by examining the economic multiplier effect and its impact on the local economy. The cash injection into the local economy had a strong multiplier effect²⁰ as households used cash to purchase local materials and services.

Increased spending in local economy creates household savings and increased investment in livelihoods and jobs. Short-term growth in construction and carpentry is visible across the rural parts of West Sumatra as well as the demand for timber and raw materials for building. The city of Padang is starting to catch up as funds begin to slowly flow from NGOs and the government's compensation package into the urban centre.

Negative aspects such as inflation seem to have been mitigated as relatively stable markets have absorbed the increased demand for building materials and household items. Market analysis by agencies did find some localised inflation in labour and materials however believe these have not made any significant impacts on the program and local economy.

Indirect beneficiaries include local traders and material suppliers, which received approximately 80%²¹ of household spending for materials including wood, steel, cement and roofing (including funds required to hire carpenters). Market data from Oxfam indicate that 34% of households in their program used the grant for food and 26% used part of the grant for savings and livelihoods. Programs that provided choice enabled relative freedom for spending the grant at any supplier which has the effect of promoting local competition.

'With cash received from CRS I bought wood and iron sheeting to repair the walls and roof of my home. My family had to stay in the coffee shop, which we used for two months. I have now reopened my coffee shop and finishing my home'. Syahrizal Beneficiary and coffee shop owner Agam

In the long term, areas like West Sumatra would benefit economically from additional CTPs as households attempt to recover livelihoods. Landslides caused by earthquakes have destroyed farming land and communities have experienced decades of little investment in agriculture and enterprise. CTP or capital investment would improve infrastructure and increase activity in a richly fertile area with an available skilled labour force.

'Since 2009 we have experienced 19 landslides damaging agricultural land. We also need better infrastructure such as drainage and landslide protection to ensure future crops'. Head of village Ajung Campago Oxfam

Overall the economic impact of the CTP has shown positive results for households, including the most vulnerable that have been targeted. CTP has helped boost local economies and assisted household's recovery process. Agencies have continued to share market and vulnerability data throughout the program. This coordination has enabled cash transfer activities to be sensitive to market pressures.

²⁰ Deeper analysis of market and consumer spending is needed to determine economic multiplier

²¹ CRS West Sumatra DFID donor evaluation 2010. Final Evaluation Oxfam Cash recovery program 2010

Social Impact

Agencies worked closely together to ensure the most vulnerable households were targeted and cash transfer/voucher initiatives provided positive social impacts. Overall feedback from community and local partners considered agency response effective in meeting the social needs of households.

'The CTP targeted vulnerable people and had an overall positive effect on improving the social and economic potential of the community'. **Elisa Eddy, Walhi Coordinator**

Assessments show that CTPs provided households dignity and social capital as they offered choice and flexibility to beneficiaries. Many of the households visited indicated that they were now focusing on rebuilding more permanent housing six months after the disaster. There were some concerns among households and agencies that previous assistance from NGOs would reduce the amount of government support received to construct permanent housing. Lack of clear information on timing and resources regarding government reconstruction plans have caused some social unease and needs to be clearly communicated to households.

'We are very happy with the assistance which is the only support we have received. We will store our materials until we can purchase more for a permanent building'. **Pik Sangai, Beneficiary Sikabu Ulakan Tapakis Mercy Corps**

Feedback from surveys and interviews with households and local leaders demonstrate a functioning and well-adapted community recovering better than most after a disaster. Agencies appear to have planned the emergency and recovery effectively as most vulnerable households have received immediate non-food aid and shelter and feel engaged in the recovery process.

CTPs have generated some minor negative social impacts. Programming staff and community leaders indicated that some cases of social jealousy existed from those households who did not receive any assistance. This had caused some minor problems and frustrations in the community. Dealing with these frustrations requires more community facilitation and support from village leaders to mediate these discussions.

Agencies were burdened with the assessment of vulnerable households, as data from the government was often not available or unreliable. Different agencies have different approaches and criteria for verification. Oxfam, for example, provided extra assistance for vulnerable households. They like other agencies had to manage the challenge of assessing who is vulnerable as a result of the earthquake and who is just vulnerable in the traditional sense (women headed households, elderly and the disabled).

'Everyone in this village is supported. Mercy Corps, the local Newspaper charity and the Government will ensure everyone is assisted and receives the same amount'. **Mayulisa, Head of village Ulakan Tapaki Periaman Mercy Corps**

Finally, community programs, such as those implemented by Oxfam, have an inherent social impact because the programs provide opportunity and resources to build or do something together. This helps create community unity in times of despair and provides improvements in public infrastructure and small group enterprises.

6. Lessons Learned / Recommendations

Lessons learnt from the CTP experience in West Sumatra can help us provide key recommendations for future CTP. The following section is intended to provide a basis for developing best practice in CTP in emergency and recovery environments and develop strategies for advocating to donors.

CTPs are increasingly being used in recovery settings and agencies are gaining a wealth of experience and skills in implementing cash programs. Using the West Sumatra experience, agencies are well placed to demonstrate to donors and governments the effectiveness of cash transfer/voucher programming and the positive impact on communities recovering from a disaster.

For Agencies' CTP

- **Establish a cash group early and have clear Cluster “home” for cash programming coordination.** This will enable agencies to coordinate their responses and find the best mechanisms for delivering cash programming in the local context. Previous experience showed agencies missed the opportunity to set up a cash group and share experiences on setting up mechanisms and cash amounts to be distributed.
- **Target the most vulnerable.** Cash transfers put money in the hands of women, the elderly and the disabled giving them more power over resources. The impact of programs is higher when targeting the most vulnerable because they are groups with a lower starting base and are more likely to spend program money on intended items²². Programs should continue to target those that have *become* vulnerable as a result of a disaster not just vulnerable in the traditional sense.
- Utilise existing **community leadership structures** to enable community access and rapid socialization of programs. Village leaders have proven to be effective in developing close relationships with the community and assisting with selection and verification of households.
- Developing **representative committees** in each village can be effective and can help with finding and targeting the most vulnerable. Often the most vulnerable are not mobile and having knowledge of and access to these groups increases the impact of a program.
- Establish a **single set of simple guidelines** on selection and assessment of households. Before sending teams and local partners to assess households, perform a field test or mock assessment. This method ensures all of your team fully understand the guidelines and are clear about assessing structural damage and vulnerability. This would reduce any confusion and different judgments that were sometimes made.
- Agencies should **socialise the program directly**, taking significant time to clarify detail in guidelines and the verification process. It is important to explain that the initiative is not a government program but provided by the non-governmental actors. However, agencies should take the opportunity to explain government is supporting the program and will adopt some agencies CTP protocols and guidelines.
- Vouchers can be effective in providing conditional grants, however **consideration** needs to be made for **labour and other non-material costs**. Almost half of the households receiving vouchers stockpiled materials while they wait for additional funds to pay for labour such as carpenters.

²² Creti, P. and S. Jaspers (eds.) (2006) Cash Transfer Programming in Emergencies. Oxford: Oxfam Skills & Practice Series, Oxfam GB.

- **CTP cannot work alone.** Capacity building activities such as construction training and awareness workshops on 'living in unsafe housing' increases the likelihood of cash being used for the intended purpose such as shelters. Additional support from community facilitators has shown to help reinforce program messages and support communities in the recovery process.
- Providing cash by **two conditional tranches** is effective as it ensures households use the first tranche on intended use (i.e. shelter). The 2nd tranche is only paid once agency staff are satisfied 80% of the shelter is complete.
- Where possible **integrate CTP with other activities.** This has been found to increase the impact on communities and avoid any duplication. Provision of shelter, public health and water and sanitation are key elements to recovery and can be complimented with cash programs.
- Provide opportunities for **local partner staff to work inside agency** program office to increase experience and the skills of locally engaged practitioners. These mentoring and internship opportunities will help build the confidence and ability of local staff to lead future recovery programs.
- If using banks as a central point for distribution **provide at least 3-4 bank staff to process** payment and try to **schedule times** for each village to avoid a rush. Prior to distribution socialise the amount to be paid so people aren't surprised when they arrive.
- Continue to **utilise safe mobile money services** such as PT Pos as it provides a fast service delivered to households.
- Examine and **advocate for CTP** support for **targeted livelihoods initiatives.** Often households requested support for livelihoods as many had lost jobs due to crop damage caused by landslides as a result of the earthquakes. Households also lived in environments with few opportunities where little money is invested in agriculture, public infrastructure or sustainable business.
- Continue to **keep open communication with program staff and committee leadership.** These mechanisms worked well in West Sumatra in addition to regular informal meetings with agency facilitators.
- Provide **feedback mechanism** for communities such as **phone help lines** and village feedback boxes.
- Include in the program strategy **a formalized exit plan** including farewell activities in the community. This event is a chance to gain further feedback and improve future activities and provide staff and partners with a learning opportunity.
- Agencies should **support learning initiatives** on CTP, educating donors and NGOs on best practice mechanisms, tools and benefits of CTP. Agencies should develop and publish case studies and present to donors as evidence of successful CTP.

For Donors considering supporting CTP

There is strong evidence from the West Sumatra experience as well recent emergencies in Indonesia to support the continued implementation of CTP. Key messages below highlight the benefits of CTP and provide a basis for advocating donors to increase support. Previous risks associated with CTP such as fraud, security and market distortions are being mitigated by agencies that have developed transparent monitoring systems, safe distribution mechanisms and market analysis tools.

- Agencies recognise that it is difficult to ensure 100% of the cash is used as intended. Analysis has shown spending on intended purpose is high and the **value-for-money is significantly higher** than if households sold commodities for cash. Households would lose significant value if they sold commodities as their access to best market price is reduced and would be vulnerable to price discounting.
- CTPs in West Sumatra have proven to be **fast and effective** with the majority of agencies distributing cash within one month after establishing programs. Analysis has shown that over 95% of households have spent the cash on appropriate and intended items and not wasted it on any non-recovery items.
- CTPs are **flexible** as they provide households with choice and have resulted in purchases of mostly shelter and recovery household items. Grants also **provide households dignity** as they have immediate effect on improving livelihoods and reduce any dependency or social stigma associated with continued payments or cash for work programs.
- CTPs have been **widely accepted by community and local leadership in Indonesia**. Community feedback indicates that over 90% were happy with the support and the method cash was distributed among households. Provincial government and local leaders are overall happy with CTP and will adopt agency practices for upcoming government CTP for permanent housing.
- CTPs have **targeted the most vulnerable** and put cash in their hand. By seeking out and assessing vulnerability, agencies have given immediate relief to those that most need assistance. Using local committees and local survey teams, programs were able to identify and verify vulnerable groups such as women, the elderly and the disabled. This has effectively increased the resource and purchasing power of these groups.
- CTPs are generally **cheaper and easier to run**. Less time and resources are needed to procure materials as that are left to the household and the open market. This also reduces potential fraud and price fixing when partners procure large quantities of material. Cash distribution can be done through banks, technology (sms) or money distributors (post office) and free up agencies time to concentrate on programming.
- CTPs can **reenergize local markets** after emergencies. One of the first indicators of recovery is an open and functioning market. CTPs have an immediate effect on providing cash to the local economy and increasing market transactions. Provided supply is stable and inflationary effects can be mitigated cash can have a positive impact on the local economy. Furthermore, the economic multiplier effect provides indirect benefits to local businesses and investment climate. Evaluations in West Sumatra illustrated that CTPs helped the expansion of trader's business and increased short-term employment at supporting businesses.
- With this experience, agencies have learnt how to **mitigate risks associated with CTP**. Security and cash distribution has been effective with no incident reported across the agencies. Utilizing local banks and the National Post Office's (PT Pos) mobile money service, security issues have been mitigated with the use of professionals with appropriate and transparent money distribution services. Working with PT pos has been a highly positive experience for agencies.
- Agencies using **strong monitoring and financial tools to reduce the risk of fraud**. One of the key risks donors associate with providing cash is fraud and misuse of funds by beneficiaries. However, implementing strong tracking and monitoring systems agencies are reducing this risk and providing a transparent process ensuring funds from donor's makes it to household member's pocket.

- Agencies are aware of **managing risks associated with distorting markets**. Careful analysis of local markets enabled agencies to assess local market supply capabilities and ensure inflationary pressures will be minimised.

In addition to the assessment document, a workshop was conducted in Padang on 6 April 2010, providing agencies and local partners the opportunity to develop some practical steps for advocacy. The workshop highlighted experiences in West Sumatra and the challenges to overcome when promoting the use of CTP. Key ideas included;

- **Develop tools to measure** when is the right time to implement CTP
- **Illustrate why CTP it is better** than the alternative, which is direct distribution of relief items. Overall, agencies believe that they need more sophisticated market tools determine when the timing is right.
- Develop **tools to calculate the effectiveness** of a CTP program. Agencies want to agree on a model formula that helps compare CTP with other types of programs.
- Develop a set of tools and case studies within a **strategy to present to a group of donors**. Several NGOs can present these and a CTP model for donors to adopt.
- **Finalise a set of guidelines** that can be contextualized to the local setting that include selecting a common method and selection criteria for CTP beneficiaries.
- Set up CTP **email and web based forums**. These forums provide the opportunity of partners to develop CTP tools and SOPs and strengthen institutional learning of agencies through training and cooperation initiatives.
- **Demonstrate CTP is well supported and coordinated with government**. Often this is a challenge as government policy and support lacks the experience and capacity to assist with assessment. However, the experience in West Sumatra has overall been positive and assisted agencies with support in implementation.
- **Market assessment of shelters** during CTP should **consider all risk factors** such as landslides and the flood potential of areas surrounding rebuilt shelters. This demonstrates to donors that cash supported shelter reconstruction is sustainable and considers the long-term impacts of future disasters.
- **Educate community on safe structures** and benefits of participation. Programs should ensure capacity building training supports safer shelter construction and awareness of living in unsafe buildings.
- **Engage donor that focus on DRR**. Donors such as EC, DFID, USAID and ECHO are always looking for programming involved in DRR activities such as safe shelter construction and sustainable recovery initiatives.

In conclusion, there is strong body of evidence from agencies experience to support CTP in emergency and recovery situations. Leading practitioners and development agencies are beginning to identify the conditions for application of CTP and mechanism for most effective implementation.

There is a common believe that CTP does work and there is an opportunity to develop a strategy to present to donors to highlight the successes of CTP and the benefits of such programming to communities following an emergency. This is the next step.

Further information on other programs and learning initiatives is references in Annex 6: Additional

References.

7. Annexes:

Annex 1: TOR for Inter-Agency Assessment

Summary:

Oxfam GB seeks a consultant to consolidate findings and facilitate a learning process for an Inter-Agency Impact Assessment of the Cash Transfer Programs in West Sumatra used by CRS, OGB, Save the Children and Mercy Corps in Responding to West Sumatra 2009 Earthquake. The consultancy will compile the findings into an inter-agency report and facilitate a debriefing process in which recommendations and lessons learned would be documented. Expected duration is 15 days.

Tags:

Cash Transfer Programming; Emergency Response; West Sumatra Earthquakes

Location:

Jakarta, Indonesia; with fieldwork in Padang, West Sumatra and surrounding areas

A. Objectives of the Consultancy for the Inter-agency:

- I. To document the process undertaken by the participating agencies of determining to use CTP, the type of cash transfer, and the various methodologies for the provision of temporary shelter;
- II. To consolidate the findings from the participating agencies of the impact of cash transfer programming in the communities, with a clear statement of key advantages and disadvantages of the various approaches;
- III. To provide a clear document of the lessons learned with reference to the available CTP materials (such as Oxfam, ODI, HPG, ALNAP, IFRC, ACF, etc) for both an internal audience, within the agencies, and an external audience to include government stakeholders and donors
- IV. To facilitate a debriefing workshop in which the agencies discuss the findings from the assessment project and develop recommendations for future programming

Methodologies:

For Inter-agency

The consultant will be provided with documentation from each agency's CTP, including the results of an internal assessment to be conducted independently by each agency. The documents to be provided include:

- Project Proposal
- Implementation Strategy
- Work plan
- Monitoring Reports / Progress Report
- Evaluation Reports

Furthermore, the consultant will have the opportunity to meet with the inter-agency consortium and with each agency's point person individually to request further clarification. Based on these resources, the consultant will develop a draft report and design a debrief workshop to obtain further feedback from the participant agencies.

Deliverables

For Inter-agency

1. Workshop Facilitation, date and location TBD. The objectives of the workshop are as follows:
 - Discuss the findings from each agency, including best practices which can be

- gleaned from the consolidated findings
 - Obtain input from the participating agencies for developing the final inter-agency report
 - Facilitate a discussion among the agencies that will begin the process of developing recommendations for advocating for future CTP
2. Inter-Agency Assessment report, as follows:
- The report should be presented in the format which will be provided by the agencies
 - The draft report must be submitted not later than 10 days before the end date agreed by the contract. The final report will be submitted no later than the end date of the consultancy contract.
 - The evaluation report shall have a maximum length of 35 pages including the Executive Summary at the beginning of the document, Findings, Conclusions and Recommendations.
 - The report should be presented in draft form for comment, before the final report is completed. Relevant comments from the country debriefings should be incorporated in the final report, in accordance with a schedule to be determined.
 - The final report will be submitted in an electronic version to the given to focal representatives of each agency, including all annexes, together with a hard copy.
 - Annexes to the report will be accepted in the working language of the country

Key Working Relationships:

- For both evaluations, the Oxfam Point person will be the direct contact representing the inter-agency consortium
- Focal persons from each of the participating agencies for meetings, clarifications and provision of further information
- Other staff of participating agencies if and as agreed by the focal points and the consultant

Consultant Profile:

- Knowledge in emergency response programs and/or Cash Transfer Programming, preferably with INGO's
- Significant field experience in the evaluation of projects and local partnership
- Relevant degree / equivalent experience related to the study to be undertaken
- Significant experience in coordination, design, implementation, monitoring and evaluation of programs
- Good communications skills and experience of workshop facilitation
- Ability to write clear and useful reports (may be required to produce examples of previous work)
- Fluent in English, preferably also fluent in Bahasa Indonesia
- Ability to manage the available time and resources and to work to tight deadlines
- Ability to produce impartial, unbiased analysis and reporting
- Available for 15 consecutive working days, beginning approximately 20 March, 2010 (exact dates to be determined)

Suggested Timetable:

Activities	# Days
Briefing, review of documents, and preparation of field work	2
Meeting with involved Agencies + Field Visits	5
Consolidation of Results and Drafting of Inter-agency Report	6
Debriefing/ Workshop	1
Finalization of the report based on Agencies' comments	1
TOTAL	15

Contact Persons:

Loreto Palmaera (up to 15 March 2010) HSP EFSL Coordinator OGB Indonesia	Sebastien Fesneau County Humanitarian Program Manager OGB Indonesia
Lpalmaera@oxfam.org.uk	Sfesneau@oxfam.org.uk
Puspari Indra (from 16 March 2010) V/FSL Coordinator OGB Indonesia	
Pindra@oxfam.org.uk	

APPENDIX 1 Report Format

The report shall follow the below format.

Cover page

Title of the evaluation report;

Date of the evaluation;

Name of the consultant;

Table of contents

Executive Summary

A tightly drafted, straight to the point and freestanding Executive Summary is an essential component. It should be short, no more than two or three pages. It should focus on the key purpose or issues of the evaluation, outline the main points of the analysis, and clearly indicate the main conclusions, lessons learned and specific recommendations.

Main body of the report

The main body of the report shall elaborate the points listed in the Executive Summary. It will include references to the methodology used for the evaluation and the context of the action. In particular, for each key conclusion there should be a corresponding recommendation. Recommendations should be as realistic, operational and pragmatic as possible; that is, they should take careful account of the circumstances currently prevailing in the context of the action, and of the resources available to implement it both locally and in the Commission

Annex 2: Schedule of Inter-Agency Assessment

Date	Activity / Agency
Thursday 25 th March	Start up Workshop
Friday 26 th March	Finalise questions/workplan/logistics/Oxfam
Sat 27 th March	Oxfam
Sunday 28 th March	Travel to Agam 4pm
Monday 29 th March	CRS / Walhi - start 8.30am
Tuesday 30 th March	Save the Children - start 8.30am
Wed 31 st March	Travel back to Pariaman 7am Mercy Corps Oxfam Travel back to Padang 2pm to meet Mercy Corps
Thursday 1 st March	Build Change / Oxfam OCHA – UN House
Friday 2 nd March	KABISAT Indonesia Koalisi Perempuan Indonesia – KPI
Monday 5 th March	Preparing for Workshop
Tuesday 6 th	Present Data at Workshop
April 12 th Mon	Deliver Draft to Partners for comment
April 14 th Wed	Comments received from partners
April 15 th Thurs	Deliver final report

Annex 3: List of documents consulted

Documents Reviewed	Agency
Cash Grant Payment Guidelines Final	Oxfam GB
CTP Strategy Plan	Oxfam GB
EFSL PDM Report	Oxfam GB
EFSL Matrix Details	Oxfam GB
Final EFSL West Sumatra Report	Oxfam GB
Project Description	Oxfam GB
West Sumatra EFSL Assessments	Oxfam GB
Objectives for Oxfam Inter-agency Evaluation	Oxfam GB
Terms of Reference for CRS Cash Grant Lessons Learned Assessment	CRS
Summary of Findings: OFDA Project Evaluation CRS West Sumatra Earthquake Response 2009-2010 Transitional Shelter Program	CRS
Lesson Learned Cash Grant Programming CRS West Sumatra Earthquake Response, 2009-2010 March 22, 2010	CRS
CRS Proposal to UN OCHA for Emergency/Humanitarian Response Funds	CRS
Final report Transitional Shelter and NFI Relief for Populations Affected by the West Sumatra Earthquake	CRS
End line Survey 2010	CRS
Quarterly report Transitional Shelter and NFI Relief.	CRS
Transitional shelter check list	CRS
West Sumatra Voucher Program Impact Assessment	Mercy Corps
Database Impact Assessment	Mercy Corps
Voucher Project proposal	Mercy Corps
Voucher Project beneficiary questionnaire	Mercy Corps
Transitional Shelter Project Proposal	Save the Children
Exit Strategy	Save the Children
Market Survey Spreadsheet	Save the Children
Housing construction poster	Build Change

Annex 4: List of interviews

	Name	Position
1	Royseptia Abimanyu	Advocacy Coordinator Oxfam GB
2	Hidayatut Thoyyibah	Partnership Officer Oxfam GB
3	Sebastian Fesneau	Humanitarian Program Manager Oxfam GB
4	Indra Kusuma	Finance Manager Oxfam GB
5	Yamin Mahmud	Finance Assistant Oxfam GB
6	Amalia Putri	Finance Officer Oxfam GB
7	Meili Narti	Emergency Food Security Livelihoods Officer Oxfam GB
8	Puspasari Indra	Technical Coordinator for Vulnerable food Security and Livelihoods Oxfam GB
9	Abdul Rahman	Logistics Officer Oxfam GB
10	Ancilla Bere	Public Health Coordinator Oxfam
11	Syofri Yodi	Coordinator Kabisat
12	Rusli	Director Kabisat
13	William Schmitt	Team Leader West Sumatra CRS
14	Wahyu Widayanto	Community Mobilisation Manager CRS
15	Elisa Eddy	Coordinator Walhi
16	Yoni Marchianto	Engineer Walhi
17	Sudirman Akil	Engineer CRS
18	M.Zuhri	Community Mobiliser CRS
19	Muri Aloysius	Finance Manager CRS
20	Kathryn Kraft	Monitoring and Grant Manager CRS
21	Sunan	Beneficiary Agam
22	Irfan Agus	PT Pos Representative Bukit Tinggi for Agam
23	Syahrizal	Beneficiary and Coffee Shop Owner Agam
24	Samrudin	Pondok committee member and Head of sub-village Batuhamper Agam
25	Aswirman	Pondok committee member and Head of Youth Group Agam
26	Tracy Lucas	Program Manager Shelter Program Save the Children Agam
27	Dody Afyendra	Shelter Program Officer Save the Children Agam
28	Martani	Shelter committee and beneficiary Dusun I Save the children
29	Murjani	Shelter committee and beneficiary Dusun I Save the children
30	Yesi Dilnastari	Shelter committee and beneficiary Dusun I Save the children
31	Edwin	Shelter committee and beneficiary Dusun I Save the children
32	Dahniar	Shelter committee and beneficiary Dusun 2 Save the children
33	Erianto	Shelter committee and beneficiary Dusun 2 Save the children
34	Besra Yeni	Shelter committee and beneficiary Dusun 3 Save the children
35	Efirman	Shelter committee and beneficiary Dusun 3 Save the children
36	Parmalis	Shelter committee and beneficiary Dusun 3 Save the children
37	Musliati	Shelter committee and beneficiary Dusun 3 Save the children
38	Mayulisa	Head of village Ulakan Tapaki Periaman Mercy Corps
39	Sahaur	Secretary of village Ulakan Mercy Corps
40	Rini	Trader 'Buyong Kamek' Ulakan Tapakis Mercy Corps
41	Erdawati	Beneficiary Sikabu Ulakan Tapakis Mercy Corps
42	Sarikayo	Beneficiary Sikabu Ulakan Tapakis Mercy Corps
43	Wati	Beneficiary Sikabu Ulakan Tapakis Mercy Corps
44	Suma	Beneficiary Sikabu Ulakan Tapakis Mercy Corps
45	Yusmanias	Beneficiary Sikabu Ulakan Tapakis Mercy Corps
46	Nurlis	Beneficiary Sikabu Ulakan Tapakis Mercy Corps
47	Martini	Beneficiary Sikabu Ulakan Tapakis Mercy Corps
48	Rahmi	Beneficiary Sikabu Ulakan Tapakis Mercy Corps
49	Yendri	Beneficiary Sikabu Ulakan Tapakis Mercy Corps
50	Suma	Beneficiary Sikabu Ulakan Tapakis Mercy Corps
51	Karmila	Beneficiary Sikabu Ulakan Tapakis Mercy Corps
52	Nuraimi	Beneficiary Sikabu Ulakan Tapakis Mercy Corps
53	Pik Sangai	Beneficiary Sikabu Ulakan Tapakis Mercy Corps
54	Alizar	Beneficiary Ajung Campago Oxfam
55	Sulai	Beneficiary Ajung Campago Oxfam
56	Azwardi	Head of village Ajung Campago Oxfam

57	Sophie	Project staff KPI Periaman Oxfam
58	Beni	Project staff KPI Periaman Oxfam
59	Panjitresna Prawiradiputra	Cash Grants Coordinator Mercy Corps
60	Arief Nazirwan	Cash Grants Officer Mercy Corps
61	Endang Trisna	DRR Project Manager Mercy Corps
62	Erynn Carter	Mercy Corps Director, West Sumatra
63	Michael Collins	Program Manager Build Change
64	Nell Brighton	Shelter Cluster Information Manager West Sumatra OCHA

Annex 5: Questions for Interviews

- What are the biggest impacts from CTP? What positive and (negative) changes have occurred due to CTP?
- What do you think were effectively approaches to deliver CTP in Padang ?
- What were some of the advantages and disadvantages of your organisations approach?
- Do you think other approaches could have been used?
- What were the biggest obstacles to CTP?
- Were you happy with the amount of 'vulnerable' people selected for CTP? Not only happy, but more to see how the criteria of targeting being developed, then how calculation (size of grants) made based on the needs
- How did you evaluate and select people? Could you of done this better?
- How did communities response to the CTP program?
- How did you ensure fast and fair distribution of cash grant? Do you think your process added value to the CTP?
- How effective were pondok committees?
- Was the price of a pondok affordable for the average family? Any price impacts due to increased demand? Did the program have contingency planning for this?
- Were the SAD guidelines developed by CRS effective in providing safe T-Shelter? How did the community response to this? Did this add value ?
- Was the training course on Sphere guidelines for local authorities effective?
- Was the Technical support by organisations such as build change effective? Did the communities respond well?
- How effective was the West Sumatra Shelter Cluster Coordination Group in delivering real change in the form of T-Shelters and assistance to families?
- How effective was this group in working with local government? Agam District, Pasaman Barat, Padang Pariaman. Were there any barriers to providing assistance? How could this be overcome?
- Assessment of pondok survey could have included a scale instead of yes or no. Could this of helped assessment and evaluation?
- Was the helpline effective and widely used by Padang communities?
- Did working with local partners add value to the project? What did and didn't work?

- How does this CTP help us connect at a global level with other CTP and advocacy programs? What are the recommendations / guidelines for CTP advocacy?
- Why did we make decisions about CTP distribution? What were the different mechanisms? PT pos, bank, vouchers?
- What were the negative and positive of each decision?
- How can we use this CTP for advocacy?
- What is the social impact of the CTP?
- Are there any negative impacts? Can we avoid them?
- How can we manage the social jealousy of those who not do receive CT?
- What challenges have local partners faced? Check their involvement in project (eg. Did they give input in the design, understand the situation analysis that lead to the decision of choosing CTP, etc) How's their feeling being involved or not?
- Has the CTP provided opportunities to build capacity of local partners? How has this added value and impact?
- Cluster – Coordination of Cash. It did not happen. How did this effect the CTP.
- Agreed not use 'work for cash'. What are the experiences of other programs ? When talk with partners, check whether they understand well CTP concept (with Cash for Work in it) while doing advocacy to INGO not to do cash for work

Annex 6: Additional References

ODI Cash Learning Project (Humanitarian Policy Group)

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