

# A SUMMARY OF THE BRITISH RED CROSS CASH GRANTS FOR LIVELIHOOD RECOVERY IN ACEH, INDONESIA



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*ABDAN, a fuel business man  
in Pulo Breuh (Breuh Island) Aceh Besar.*

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# Executive Summary

## BACKGROUND

From April 2005 to June 2008, the British Red Cross Society (BRCS) disbursed more than USD 10 million in cash grants direct to over 10,000 tsunami-affected people in Aceh to support the recovery of their predominantly agriculture and fisheries-based livelihoods. Just one component of the largest ever BRCS action – the three-country Tsunami Recovery Programme that comprised shelter, livelihoods and disaster risk reduction activities – the cash grant programme was itself the biggest of its kind in Aceh.

While the tsunami took a vast toll on lives and property along the province's northern coastal strip, markets and banks continued to function just a short way inland. Meanwhile, conflict, insecurity and corruption, though demanding attention, were not insurmountable barriers. Many grasped the opportunity to develop cash interventions in this context – leading to a number of 'cash transfer' programmes. The well-resourced BRCS Aceh programme proved to be a fertile ground for

learning. In addition to development of impressive 'nuts and bolts' mechanisms for transfers, data management, partnership and outreach, the programme also responded to major shifts in the condition of disaster-affected families over its lifetime by introducing new grant-making methods, targeting approaches, and capacity building interventions.

This study draws lessons from the rich experiences of the BRCS livelihoods programme in Aceh to inform and strengthen future interventions. Conducted in April 2008 through document review, interviews with past and present staff from BRCS and other agencies, and a limited number of field visits, it documents and reflects on the evolution, achievements and constraints of the cash grants programme, including a comparison to similar interventions from other agencies in Aceh. It also considers the relevance of a sustainable livelihoods approach to recovery programming.





*Villagers in Tanoh Manyang village,  
Teunom sub district, August 2005*

## KEY ACHIEVEMENTS

Based on its outputs, the programme performed impressively well especially considering the chaotic environment, high expectations, and immense pressure to spend that formed a backdrop to implementation. This review notes four key achievements, all worth striving to replicate:

- **Action and accountability.** Although cash grants were relatively new in recovery programming, an initial commitment to disburse large sums direct to tsunami victims was maintained, and strong, accountable systems created to do it.
- **Outreach and participation.** Well-resourced outreach, conducted through live-in volunteers supplied by the Indonesian Red Cross, made a major contribution to the ability of the programme to work with people and incorporate their concerns.
- **Partnerships.** A large number of partnerships with local and international non-profits to provide training or other services were a significant innovation for BRCS and displayed the benefits of leveraging expertise from non-Red Cross actors.

- **Learning.** A commitment to learning was evident: feedback was solicited from field staff and incorporated into design, opportunities were made for reflection, and documentation and reviews conducted for internal and wider BRCS use. This placed the BRCS programme apart from many others.

It was not the remit of this study to assess the programme impacts. But it did look at the relevance of the cash grants programme within the wider livelihood recovery context of recipients. This raised hard questions, in particular about how livelihoods recovery should be defined, and what types of approaches are appropriate to support it. These issues were a matter of debate within the BRCS team itself during the redesign of the programme in late 2006 and also occurred in a number of other agencies conducting similar interventions.

## RELEVANCE OF A SUSTAINABLE LIVELIHOODS APPROACH

In considering the relevance of the BRCS livelihoods intervention, one of the underlying questions was the

extent to which a Sustainable Livelihoods Approach (SLA) offered an appropriate 'lens' to view the programme. This approach, developed from years of best practice in development programmes, comprises a set of principles and a framework for analysing the key factors that influence peoples' livelihoods choices. Such 'livelihoods thinking' informed much of the BRCS cash grant livelihoods recovery programme. Both phases of the programme were designed and implemented by staff from strong development backgrounds, and in both cases, this way of thinking influenced views on its aims and interventions. This was evident in the use of livelihoods assessments to inform programme design and the use of SL principles and framework throughout the programme. Furthermore, the principles that underlie the sustainable livelihoods framework and approach are also closely attuned to principle commitments of the Code of Conduct for the International Red Cross and Red Crescent Movement, to which BRCS is committed.

The SL approach helped to ensure relevance to the macro context in which the disaster occurred and to the specific context in villages. Unlike many other agencies, the first phase of the programme was notable for its recognition that in the months following the tsunami, livelihoods recovery needs served by cash grants went far beyond income generation, and could include children's education or household needs. Meanwhile, in the second phase, attempts to re-examine targeting and a greater focus on income generation did respond to the recovery situation of target communities even though some limitations were identified.

But going forward, the hard issue for BRCS is probably not whether the SLA or some variation of it is relevant to recovery. Indeed, the relevance of any framework that embeds aid within holistic analysis of the situation of recipients should be largely uncontroversial. Rather, the key questions are how such a framework will recognise recovery as distinct from development, and how it can be practically applied in a recovery situation. Achievable ways to apply a livelihoods approach in recovery programmes include mainstreaming livelihoods assessments into initial assessments, application of tools such as PRA to drive specific interventions, and using livelihoods focused outcome indicators in monitoring. This study suggests two areas of the framework that it might be particularly interesting to elaborate or refine for recovery contexts. These are (i) livelihood assets, and the ways in which different assets contribute to livelihood recovery, and (ii) the holistic framework for

analysis, particularly the ways in which vulnerability and the role of policy, processes and institutions should be understood in a recovery context.

## FINDINGS AND LESSONS

Findings and lessons from the programme emerged in three broad areas.

- There is a need for a BRCS strategic framework on recovery.

### LESSON 1:

BRCS needs a clear policy on recovery. This will enable quicker decision-making in the early stages of a disaster and guide the timely development of programme plans within organisational and country priorities.

### LESSON 2:

Establishing a policy on targeting in recovery programmes is essential. It should be informed by analysis of vulnerability and poverty, inclusion and exclusion errors and the cost-benefits of targeting in a recovery context.

### LESSON 3:

A clear indicative timeframe needs to be set to inform recovery programming, based on organisational goals. Influential recent thinking on recovery suggests that for BRCS this might be around 12 months.

### LESSON 4:

A Sustainable Livelihoods approach helps ensure that programmes are based on holistic analysis and support sustainable socio-economic recovery. BRCS should consider mainstreaming the use of SL within its recovery programming.

- Clear guidance on programme planning for cash grants is required.

### LESSON 5:

Limited conditionality, with incentives and flexibility to spend cash on a range of livelihood activities brings most benefit in a livelihood cash grant programme.

#### LESSON 6:

Controls are important but should be designed lightly. Financial accountability and monitoring how recipients use grants are important but should not impose burdens that outweigh the benefits to the programme.

#### LESSON 7:

Investing in outreach enables meaningful engagement and beneficiary participation. BRCS should consider how it can replicate the success of this outreach approach in future recovery programmes.

#### LESSON 8:

Ensure wider livelihood needs are considered in setting cash grant amounts. Underestimating amounts will mean that programmes are not relevant to needs and might compromise recovery.

#### LESSON 9:

Individual household grants are an effective and simple tool for enabling people to rebuild their livelihoods following a disaster. Introducing a mix of grant mechanisms creates complexity and additional pressures on staff and recipients. A realistic assessment should therefore be made of benefit.

#### LESSON 10:

Capacity building can be an effective tool to support grant investments even in the short term. But BRCS needs to ensure that capacity building interventions can achieve sustainable results within the recovery programme timeframe.

#### LESSON 11:

Partnering is a cost-effective way to bring in additional technical inputs to a recovery programme. Strategic partnerships could be developed in advance in specialist programming areas to compliment existing BRCS strengths.

There is need for stronger interagency co-ordination in recovery

#### LESSON 12:

It is essential to find better ways to coordinate with

other NGOs at all levels to ensure that lessons are learnt and shared, and best practice developed. Many NGOs are struggling to deal with similar issues. But strategic engagement on coordination and capacity on the ground to do it both need to be improved.

#### RECOMMENDATIONS

Three recommendations on how these lessons can be taken forward by BRCS are made in the report. These are:

1. Develop an overall BRCS strategic framework for recovery. A strategic framework on recovery would provide the foundations and framework for future decisions on programming.
2. Feed learnings from this study into the update of the 2007 ICRC/IFRC Guidelines for Cash Transfer Programming. This will help to move forward best practice on cash transfers in the Red Cross Movement more widely.
3. Engage with the CWGER and international NGOs to ensure more effective co-ordination of recovery activities in future disasters. Better co-ordination and sharing of best practice in recovery was highlighted by all NGOs as essential for improved outcomes on the ground.





*Fishing for living, Seurapong village, Pulo Breuh, Aceh Besar*

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*Left: Mariati with her two daughters Ratna Junita (18) and Asma Dewi (21).*

*Right: Mariati is one of the livelihood beneficiaries from Pasi Tulak Bala village, Teunom sub district. She is waiting for customers in her kiosk.*



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## Acronyms and Abbreviations

|       |  |
|-------|--|
| BRCS  | British Red Cross Society  |
| CBAT  | Community Based Action Team                                      |
| CG    | Cash Grant   |
| CWGER | Cluster Working Group on Early Recovery                          |
| DEC   | Disasters Emergency Committee                                    |
| ICRC  | The International Committee of the Red Cross                     |
| IFRC  | International Federation of Red Cross and Red Crescent Societies |
| IG    | Individual Grant   |
| IGA   | Income Generating Activity                                       |
| LRWG  | Livelihoods Recovery Working Group                               |
| NGO   | Non-Governmental Organization                                    |
| PMI   | The Indonesian Red Cross Society                                 |
| PNS   | Participating (Red Cross) National Societies                     |
| SL    | Sustainable Livelihoods  |
| SLA   | Sustainable Livelihoods Approach                                 |
| TEC   | Tsunami Evaluation Coalition                                     |
| TOR   | Terms of Reference   |

# Glossary of Common Concepts and Terms Used in the Programme

**Cash grants** - the provision of money to targeted households, either as emergency relief to meet their basic needs for food and non-food items, or to buy assets essential for the recovery of their livelihoods. Cash grants for livelihood recovery differ from micro-finance in that services are not expected to continue in the longer term. Both cash grants and micro-finance can be accompanied by training to upgrade recipients' skills (Oxfam 2006).

**Cash transfers** - is the generic term used to describe a range of approaches to deliver cash or vouchers directly to households, as opposed to providing a service or a commodity. Cash transfers have long been used to address social and economic vulnerabilities such as poverty, old age, disability or unemployment and to complement household income in times of exposure to shock.

**Conditional cash transfers** - receipt of the cash transfer is conditional upon the beneficiary providing a service of some kind (such as work); on using a service such as attending a school or health clinic; or spending the transfer on an agreed commodity or type of commodity, such as shelter or restarting a business (BRCS 2007)

**Livelihood** - Livelihoods comprise the ways in which people access and mobilise resources that enable them to pursue the livelihood goals necessary for their survival and longer term well being (BRCS 2007).

**Livelihood assets** - the sustainable livelihoods framework identifies five core asset categories or types of capital upon which livelihoods are built. These are natural (land, forests, biodiversity etc), financial (savings, income etc), human (knowledge, education etc), physical (roads, buildings etc), social (networks, relationships etc). Increasing access to assets which can take the form of ownership or the right to use, is a primary concern towards achieving sustainable livelihoods.

**Livelihood security** - adequate and sustainable access to income and resources to meet basic needs (including adequate access to food, potable water, health facilities, educational opportunities, housing, and time for community participation and social integration).

**Partnership** describes a cooperative relationship between people or groups who agree to share responsibility for achieving some specific goal.

**Recovery** to support and enable disaster and conflict affected people in rebuilding of their lives and increasing their resilience to withstand future disasters. This is done in a way that respects their livelihoods, health and dignity (BRCS 2007)

**Relief** the provision of food, non food items and cash-based inputs to disaster-affected people for their personal use in order to address their basic short term needs. It forms a part of the BRCS immediate response to a disaster event, though relief needs can be ongoing during protracted or complex emergencies, and can easily arise during recovery.

**Social Safety Nets** are mechanisms that mitigate the effects of poverty and other risks on vulnerable households. Risks can be temporary or permanent, and they can also be idiosyncratic, affecting specific households (such as illness or death of a breadwinner) or covariate, impacting communities and countries like drought and a shift in the terms of trade (IDS 2006).

**Targeting** is the process of selecting beneficiaries and matching the appropriate response to them on the basis of operational requirements, capabilities and limitations.

**Unconditional cash transfers** cash transfers from governments or non-government organisations given without conditions attached to individuals or households identified as highly vulnerable, with the objectives of alleviating poverty, providing social protection, or reducing economic vulnerability (BRCS 2007).

**Vulnerability** defines the characteristics of a person or group and their situation that influence their capacity to anticipate, cope with, resist and recover from the impact of a hazard. It involves a combination of factors that determine the degree to which someone's life, livelihood, property and other assets are put at risk by a discrete and identifiable event (or series or cascade of such events) in nature and society (Action Aid 2005).



# Chapter 1 | INTRODUCTION

## 1.1 BACKGROUND TO STUDY

Following the tsunami of 26th December 2004 the British Red Cross Society (BRCS) committed over £80 million to conduct a Tsunami Recovery Programme (TRP) in the three worst affected countries – the Maldives, Sri Lanka and Indonesia. In Indonesia, the programme was initiated in early 2005 in two districts of Aceh Province. With the stated goal of 'recovered communities', it had three components: re-establishing livelihoods through cash grants, the provision of permanent shelter and reducing risk through strengthening disaster preparedness.

The TRP is the largest BRCS operation to date, in terms of scale, scope and resources. In Indonesia alone it directly supported more than 11,200 individuals from approximately 9,250 households. This study was commissioned as the Indonesian TRP drew to a close, as part of efforts to ensure that lessons are drawn out from BRCS experience. It focuses on lessons learnt from using cash grants for livelihood recovery.

## 1.2 THE EMERGENCE OF CASH GRANTS AS A LIVELIHOOD RECOVERY RESPONSE

Despite a long history of cash transfers in social welfare and development programmes, it is only since the 1990s that they began to play a significant role in relief and recovery operations. Focussing in the early years on food relief and repatriation, cash transfers have come to encompass cash for work and cash grant programmes more generally, and have started to become mainstream for many aid agencies.

The introduction of cash transfers into the gamut of relief and recovery interventions was born out of major shifts in the ways that aid agencies conceptualised poverty and food insecurity. A number of related theoretical developments influenced this shift. These included:

- **Entitlement theory**, introduced in the 1980s showed that famine could occur even if sufficient food is available in a region. This called into question traditional narratives that equated famine with decline in food availability. Analysis of food security began to look at access as well as supply.
- **'Livelihoods approaches'**, developed in part out of entitlement theory, promoted a shift in thinking

away from rural livelihoods as entirely dependent on agricultural production and subsistence. This was accompanied by a recognition of the diversity of household livelihoods and coping strategies, including migration, petty trading, and labour.

- **A focus on markets vs.** the state as an engine of growth emerged in the late 1980's – spilling over into international aid from the World Bank, IMF and other institutions. Market-oriented ideologies promoted awareness of market efficiencies in resource allocation and pointed to the potentially negative impacts of government interventions.

The growing interest in cash programmes has also been heavily influenced by their perceived advantages over in-kind assistance. Oft-cited benefits include that using cash reduces transaction costs, offers greater responsiveness to beneficiary needs, helps to avoid asset substitution, gives greater dignity to recipients, and has beneficial impacts on existing markets. Of course, it is not always feasible or appropriate to implement cash programmes. In addition to factors that bear on any distribution – such as access and data needs – the following are key:

- **Markets.** There must be a functioning market system that can supply sufficient volume of goods, and some assessment of the risks of causing inflation for key products.
- **Banks.** There must be a developed banking/financial system to channel project funds.
- **Payment mechanisms.** There must be availability of acceptable payment mechanisms, whether these are post offices, banks or other means of distribution
- **Security.** This is sometimes thought to be more problematic for cash – assessment must look at risks for staff and beneficiaries of carrying cash and having it forcibly seized.
- **Corruption.** Cash might be particularly vulnerable to corruption by elites or project staff – assessment of risk should look at mitigation measures, and whether they will be sufficient
- **Cultural appropriateness.** It is necessary to consider whether it is culturally appropriate for

women or men to receive and use cash for the program purposes.

Like other types of cash transfer, cash grant interventions the focus of this study have seen increasing uptake in relief and recovery programming in recent years. In addition to a growing body of academic literature, the publication of manuals and guidelines by agencies like Oxfam (2006), IFRC (2007) and SDC (2007) and growing field experience show the commitment of such agencies and their donors to working in this field. Within the Red Cross/ Red Crescent movement, BRCS has been one of the early pioneers, including in interventions for Hurricane Mitch in Central America (1998) and the Bam earthquake in Iran (2003). This study reflects on the recent experiences of BRCS in using cash grants for livelihoods recovery in the post-tsunami context in Aceh, Indonesia, from 2005-08.

## 1.2 SCOPE AND FOCUS OF REVIEW

This lesson learning study focussed on the cash grants for livelihood recovery element of the BRCS TRP in Indonesia. At the start of the review, discussions were held with BRCS livelihoods team to finalise the TOR and agree the main areas of focus. These were:

- To document and reflect on the experiences of the BRCS and other aid agencies in the use of cash grants for livelihood recovery in Aceh
- To identify what lessons have been learnt from these programmes
- To assess relevance of the cash grant programme to livelihood recovery

This review records achievements, analyses constraints and offers recommendations to inform and strengthen future interventions of this kind. It does not attempt to assess impacts. Impact assessment was planned by BRCS as a separate exercise, after the programme end.

## 1.3 METHODOLOGY

This is a qualitative assessment based on review of project documentation, staff interviews and findings from beneficiaries. A team of two consultants carried out this assignment using the following approaches:

- Review of programme documents and literature on cash grants and livelihood recovery
- Key informant interviews with head office staff, field officers and PMI volunteers
- Consultations and review of documents from other agencies with cash grant programmes
- Focus group discussions with community representatives
- Key informant interviews with beneficiaries and non beneficiaries

The review team interviewed over 70 people (see Annex 2). These included consultations for members of other agencies, for which a set of guiding questions were developed (see Annex 3). Given time constraints, it was not possible to undertake a Participatory Review and Reflection Process with beneficiaries. But where feasible, participatory approaches were used to facilitate discussions, and a set of guiding questions was used (see Annex 4).

## 1.4 STRUCTURE OF REPORT

The report begins by outlining the background to the study, the emergence of cash grants as a relief and recovery approach, and the scope and methodology of the study. In Chapter 2 the evolution of the BRCS programme including the use of a sustainable livelihood approach is discussed together with experiences of other aid agencies in undertaking cash grant programmes for livelihood recovery. Chapter 3 presents an analysis of findings from consultations and review of programme documentation, and outlines lessons learnt from the programme. Finally, Chapter 4 provides recommendations on how BRCS can take forward the lessons from this review.





*Business group in Lhoknga sub district,  
Aceh Besar*



# Chapter 2

## OVERVIEW OF CASH GRANTS FOR LIVELIHOOD RECOVERY PROGRAMING IN ACEH

### 2.1. BACKGROUND TO THE PROGRAMME

In 2004, Aceh was already suffering from the effects of over 30 years of conflict. Resistance to external authority had been an almost constant backdrop to the history of the province since colonial times, with the most recent rebellion dating back to the establishment of the Free Aceh Movement (GAM) in 1976. Although rich in natural resources, nearly 30% of Aceh's four million inhabitants lived below the poverty line. Almost 90% of the population depended on agriculture, fishing and fish farming for subsistence, and there were large disparities in wealth, with many families near landless and working as sharecroppers or labourers. Illegal rents were common, corruption levels were high, and local government was in disarray. Significant numbers were also displaced due to conflict, and the number of female-headed households was high, at 19%.

The 26 December 2004 tsunami killed 150,000, destroyed buildings and infrastructure along hundreds of kilometres of coastline, and displaced half a million people. Coastal and island communities stretching down the northwest coast from provincial capital Banda Aceh were the most heavily affected. Household assets were wiped out and average incomes for the affected dropped to zero. Overall damage to the economy was later estimated at USD 4.6 billion, with losses of income in agriculture and fisheries accounting for one-third of the total.

Although Aceh had previously been closed to the international community due to the conflict, the government opened access for foreign relief efforts immediately following the tsunami. The response began with international military assistance and pledging that saw Europe, Japan, Australia and the USA offer billions of dollars of aid. Fuelled by an unprecedented level of public donations, over 50 international organisations were on the ground within a week of the disaster, with the figure rising to over 200 by mid-January. Meanwhile in the UK, public appeals from the 13 major charities participating in the Disasters Emergency Committee (DEC) were unified into a joint appeal, launched on 28 December 2004. It received more donations more quickly than ever before. At one point, these came in at just under one million pounds per hour. By the end of February 2005

public donations in the UK had reached £300 million.

### 2.2 EVOLUTION OF THE PROGRAM

#### 2.2.1. PROGRAM SETUP

The British Red Cross Society (BRCS) was one of 22 Participating National Societies (PNS) to set up operations in Aceh under the loose coordination of the International Federation of the Red Cross and Red Crescent Societies. By mid-February, an experienced BRCS team with extensive in country experience and knowledge of Aceh was deployed to develop a recovery programme.

Good relationships with the Indonesian Red Cross Society (PMI) were a notable aspect of the BRCS programme from early on. At the end of February 2005, the BRCS team held a 'Post-Tsunami Rehabilitation Training' where over 70 PMI staff and volunteers were taken out of their fraught excavation and distribution activities, and invited to reflect on the situation and needs. Re-establishing shelter and livelihood incomes were clearly identified as priorities. This formed the basis for a proposed pilot programme in Pulo Aceh, which planned to provide returning families with financial, material and technical support for shelter and income generating activities, health and education facilities and services, and disaster risk management assistance. The event also included livelihoods training, which fed into assessments that then took place in nearby camps. This established a bottom-up participatory approach that shaped the subsequent programme.

Recommendations from the Recovery Assessment Team (RAT) to look at the feasibility of cash grants for livelihood recovery were instrumental in the decision to look at providing 'financial based' assistance. Meanwhile, despite the chaos in the emergency zone, the still-functioning market and banking infrastructure in the province provided promising indications of the feasibility of such an approach.

Equally important at this time was the identification of a model for collaboration with the Indonesian Red Cross. Early on, it was agreed that while the PMI would recruit volunteers, BRCS would look after their day-to-day management. This arrangement, formalised

in a service agreement in late March, meant that BRCS would work directly with live-in PMI volunteers drawn from surrounding communities. This approach, which remained in place throughout the programme, would prove unique to the Red Cross among international agencies.

#### 2.2.2 "PHASE ONE" 2005-2006

Agreed internally in March 2005, and given IFRC 'Task Force' approval in April, the Pulo Aceh four-village pilot began operation. Teaming up with an existing Oxfam cash for work programme to facilitate returns and clearing in the islands, BRCS and a team of 13 volunteers turned to providing assistance for target communities to organise, register and stake out house plots.

While uncertain policy frameworks and recruitment difficulties would hamper progress on shelter, over the coming months the livelihoods grant component of the programme rapidly began to take shape. The programme adopted a blanket approach, offering all affected households a Rp.10,000,000 (approx USD 1000) grant in a maximum of four instalments. While the grants were termed livelihood grants they were mainly intended for 'income generating activities' with recipients required to develop short proposals and sign a contract. But recognising the complexity of livelihoods issues, recipients were permitted to use some of the money for purposes such as education and purchase of household items, and monitoring was sufficiently flexible to enable recipients to choose what they most needed to restart their livelihoods.

Two vulnerable groups were also singled out for further assistance. Single parents with children in full-time education would receive an additional one-off payment of Rp.5,000,000 (approx. USD 500). Meanwhile, orphans would receive Rp.2,500,000 (approx. USD 250) a year throughout the three-year programme, on condition that they continued schooling.

Concerns about the risks of using cash including security, corruption and recipient duplication meant that intensive efforts were put into systems for registration and payment. Individual recipient ID cards were established, using virtually failsafe iris scan technology. This would be the basis for a secure project database, which would later produce contracts

for grant recipients and help to administer bank account opening and payments. Through an open tender process a national bank was selected to open individual bank accounts and provide ATM cards.

By mid-2005, the project was ready to give recipients a first payment. Following the agreement of proposals, signing of contracts and opening of bank accounts, cash grant instalments would be paid into accounts, with subsequent instalments dependent on verification of spending against agreed plans. The first of these began to flow in July. Unlike these so-called 'livelihoods grants', assistance for vulnerable groups was not conditional on agreement of proposals and contracts. Verification processes were set up for these payments, though payments to orphans in particular would sometimes prove difficult to verify.

At the same time, based on livelihood assessments that had been underway since May, the team began to roll the programme out to villages on the mainland. By October 2005, more than 3,000 bank accounts had been opened. Meanwhile, by February of the next year, as the project prepared to move into another sub-district, roughly 5,000 people were enrolled on the scheme, and most had received at least one payment. But while the first quarter of 2006 saw the final geographical expansion in the first phase, it was only in the second quarter well over one year after the programme had started that grant disbursements peaked. Working on the basis of now substantial pledges to residents of over 40 villages on the mainland, over the coming months the teams was kept busy monitoring fund use and arranging the release of subsequent installments.

#### 2.2.3 PAUSE FOR THOUGHT LATE 2006-07

Following the departure of two key managers from the livelihood programme in June 2006, a committed project team continued to manage the now huge volume of transactions. They also commenced registration of new recipients in at least one additional sub-district, and geared up ready for further expansion under a new livelihoods manager who arrived in August 2006. But around this time, a review of the cash grants programme raised some major questions about the best way forward. Designed with the aim of assessing impacts, processes, targeting, and sustainability, the study suggested a need to rethink key elements of the approach. While existing commitments

continued, new field activities were halted as the implications were worked out.

Recommendations of the review were based partly on the changing situation of target groups on the ground, and partly on evidence of what had worked well in the programme to date. While some findings were questioned, few disputed that facts on the ground had changed over the course of the program. Meanwhile, suggestions on possible ways forward threw open debates that would take a long time to resolve. These included:

- Whether and how to move from blanket approaches and target the vulnerable or poor
- Whether it would be better to provide grants to individuals or to occupational groups
- Whether the programme's relatively large grants should be reduced
- Whether the programme should apply stricter conditionality on the use of grants
- Whether setting up and working through new village committees would be appropriate

Although coloured by operational concerns – not least among them that new recipients had recently been registered and expected to receive the 'old' cash grant package – deeper issues were also at stake in the ensuing discussions. The point of departure for these appears to have been much less whether the programme should change – but how and why? These questions proved difficult to resolve. However, a period of consultation, consensus building and new leadership eventually led to compromise and a redesigned programme.

#### 2.2.4 “PHASE TWO” 2007-2008

Agreed in March 2007 under the guidance of a newly appointed Livelihoods Advisor, and in the shadow of an incredibly tight deadline, the 'second phase' of the cash grants programme began. While many seasoned staff remained in the field offices, their numbers were nearly doubled in the first two months. Remaining in a number of familiar sub-districts, the programme also moved into a series of new locations and began sensitization of the first of a projected 3,000 new recipients.

Building on the system of 'live in' volunteers established in the first phase of the programme,

outreach and community participation were paramount. In addition to the hiring of a large number of field staff, representative Village Development Forums were created to manage community grants and to help oversee planning, monitoring and problem solving in other aspects of the programme. Another key feature of enhanced outreach in this phase was a partnership with HelpAge International, three of whose field coordinators supported vulnerability analysis, assessments, and staff trainings, as well as providing hands on support for older people.

Given concerns about banking systems and capacity in the main project office, the introduction of new grants during this second phase followed a phased approach of their own. This was based at least partly on considerations of field team and community capacity.

- **Individual grants.** More stringent requirements for initial proposals to be directed towards income generation and to be more closely adhered to by grant recipients, and a new role for Village Development Forums, meant that community sensitisation and planning took time. Only by May 2007 did bank account opening start en masse. And only two months later in July was the first tranche of grant funding disbursed at scale.
- **Group grants.** Project teams held back on intensive facilitation for occupational group formation and planning until roughly mid-year. Two major considerations applied – concern about overloading communities with different grant mechanisms, and concern about overloading teams with different grant administration tasks. As a result, the first instalment of group grants was not disbursed until November 2007.
- **Community grants.** These were generally rolled out in the first months of 2008, less than 6 months before the programme end. They had the most loosely defined criteria for proposals, and were characterised as a 'flexible friend'. Field teams took different tacks, with one sharing out roughly the same amount for projects in each village, while another only implemented projects in three of 16 villages due to concerns about overload. While many useful projects were undertaken, such lack of uniformity apparently indicated the lower priority of these grants.

By the closing months of the project, there was a strong sense that the livelihoods programme had achieved the virtually impossible. Within 12 months, it had administered disbursement of USD 2,891,111 to a



**Table 1: Timeline of key events  
in the each grant programme  
Dec 2004 - June 2008**

| 2004 Tsunami |   |
|--------------|---|
| DECEMBER     |   |
| JANUARY      | BRCS relief team deploys in Aceh  |
| FEBRUARY     | BRCS recovery team deploy in Aceh trains, conducts participatory planning with PMI volunteers   |
| MARCH        | BRCS assessment of IDP community from Pulo Aceh on mainland BRCS and Oxfam CFW support survivors to return, clean village in Pulo Aceh. |
| APRIL        | Programme commences in 4 villages in Pulo Aceh, supporting returns.   |
| MAY          | Ongoing support for village cleanup, registration, livelihood planning.   |
| JUNE         | Programme expands to mainland Aceh Besar (Lhoong) First bank accounts for cash grant recipients in Pulo Aceh                            |
| JULY         |   |
| AUGUST       | Programme established in Aceh Jaya district (Teunom)  |
| FEBRUARY     | Database manager recruited - drive to centralize, improve   |
| MARCH        | Programme established in new Aceh Jaya sub district (Panga)   |
| APRIL        |   |
| MAY          |   |
| AUGUST       | New livelihoods advisor appointed   |
| SEPTEMBER    |   |
| OCTOBER      | Cash grant review results   |
| JANUARY      | BRCS MOU with HelpAge to support teams and beneficiaries  |
| FEBRUARY     | New Livelihood Advisor appointed  |
| MARCH        | Revised strategy finalised - reduced individual grant amount, group grant etc.  |
| APRIL        | Programme is established in new areas in Aceh Besar, Aceh Jaya. Capacity building unit established, begins to identify partners         |
| MAY          | First bank accounts opened  |
| JUNE         | Phase II grants start to be disbursed   |
| OCTOBER      | First group grants disbursed  |
| NOVEMBER     |   |
| DECEMBER     | First community grants disbursed  |
| MARCH        |   |
| JUNE         | BRCS plan exit from Aceh  |

diverse set of individuals, occupational groups and community-managed projects spread across two of the most heavily impacted tsunami- and conflict-affected districts in the province. While an impact assessment was pending at the time of this study, numerous case studies attest to the diverse benefits that this work has brought. Table one above provides a summary timeline of key programme activities from conception through to closure in June 2008.

## 2.2.5 ACHIEVEMENTS

Based on its outputs the programme performed impressively well. This review notes four key achievements, all worth striving to replicate.

- **Action and accountability.** During both phases of the cash grant program, from 2005-2008, BRCS rapidly disbursed incredible amounts of aid directly to the hands of beneficiaries. It did this accountably, developing impressive systems for registration, data management and bank account opening from scratch.
- **Outreach and participation.** Systems for community outreach and participation in the programme made an impressive contribution to its success in working with and incorporating the perspectives of grant recipients. A key element of this was the volunteer approach, which directly incorporated PMI volunteers into field teams, enabling the programme to benefit from their local understanding and ownership.
- **Partnerships.** Capacity building and training, coordinated by a dedicated unit, was an innovation in the second phase of the programme. Trainings were to a large extent outsourced to around 12 specialist non-profit local, national and international partners. A commitment to providing quality facilitation and training, including with partner HelpAge and a cluster of local non-profits, clearly brought benefits for programme recipients.
- **Learning.** A learning approach was embraced both by the programme and the wider organisation. The programme displayed a commitment to adapt, and was flexible enough to do it. Limited early 'pilot' activities demonstrated feasibility and fed into learning. Systems and procedures were developed on the go in response to staff, volunteer and recipient inputs. The approach of planning time-out to reflect with staff and volunteers promoted learning, and made volunteers feel their perspectives were valued.

## 2.3 OTHER EXPERIENCES WITH LIVELIHOOD CASH GRANTS IN ACEH

Mercy Corps, Oxfam and CARE were among the other key international agencies that provided cash grants as part of their livelihoods recovery programmes. Interviews and desk research were conducted to compare experiences, which are summarised in Table Two. Yet perhaps the most striking thing about this exercise was just how difficult it was to find information or documentation on programmes, let alone to access evaluations. Loss of institutional memory with the turnover of management staff and limited channels for accessing whatever documentation might exist were key problems here.

### 2.3.1. DIFFERING APPROACHES

While the evidence base is thin, it is still possible to identify some interesting similarities and differences between cash grant programmes for livelihood recovery in Aceh.

- **Timing.** Timing of programmes varied greatly. Mercy Corps and Oxfam established grant programmes in the first quarter of 2005, expanding out of cash for work activities. CARE introduced an in-kind asset replacement programme towards the end of 2005.
- **Purpose.** All programs focussed to a greater or lesser extent on replacing physical assets, but different degrees of flexibility existed about the specific use of funds. CARE appeared most rigid in holding recipients to account for purchasing nominated items.
- **Commitment.** Of the NGOs surveyed, only Mercy Corps seemed to have had a strong commitment to grants from the outset. As with BRCS, the underlying mechanism of grant administration did not change radically throughout its programme. Meanwhile, both CARE and Oxfam changed direction mid-way (Oxfam from loans to grants, CARE from in-kind assistance to grants).
- **Internal debates.** Both Oxfam and CARE reportedly underwent lengthy internal debate on targeting, vulnerability, and use of group approaches into the second year of their programmes. Informants in both agencies pointed to the lack of a framework for 'transition' or 'recovery' as a major obstacle to resolving issues.

Mercy Corps was an exception. Its high-speed rollout, enthusiasm for experiment, and ideological commitment were likely factors.

- **Learning.** In general, the quality of learning within programmes was unclear. Institutional memory was not retained at ground level. While there was some collaboration on lessons (in the ODI cash-learning program), documentation was hard to access and evaluation was not undertaken or if it was, it remained internal or still in the works at the time of writing.
- **Coordination.** Inter-agency coordination was a general problem. Despite instances of ad hoc coordination, e.g. between Oxfam and BRCS in Aceh Jaya, many identified a lack of sufficient coordination on issues like grant amounts, conditions and targeting as a matter of some concern. The UNDP livelihoods working group did not seem to bridge this gap.

### 2.3.2. WIDER LESSONS

If finding basic information on other NGO interventions is difficult, identifying results and learnings is even more so in the face of the virtual absence of evaluation or impact assessments. We can therefore only point to some tentative findings.

- **Commitment.** Of all NGOs surveyed, only Mercy Corps seemed to have had a decisive commitment to grants from the start of its grant programme while CARE and Oxfam apparently changed their approaches mid-way. In Mercy Corps, this commitment derived at least in part from the confidence of experience, as well as assessments in early 2005 that provided strong backing for cash approaches and experimentation. This was embodied in an early review paper, which endorsed experimentation with a number of different cash grant programmes in order to establish which were the most appropriate to support the reconstruction of lives, livelihoods, and communities (Mercy Corps, 2005).
- **Efficiency in delivery.** Unlike impressions of the CARE and Oxfam programmes, both BRCS and Mercy Corps developed clear programme mechanisms, procedures and teams for administering grants, which remained in place throughout their programmes. Having a clear commitment to this type of programming, and putting in place the 'underlying machinery' to do

it, was probably essential to ensuring efficiency in delivery.

Importance of documentation and institutional learning. Probably the biggest learning to emerge is the lack of documentation and learning generally in evidence in NGO cash interventions in Aceh. Despite the tremendous sums of money devoted to them, and their average duration of over 2 years, getting even simple programme outlines proved virtually impossible, while impact and evaluation studies seem to have been negligible. Failure to document and to share lessons is a serious problem for NGOs and a hindrance to learning more widely.

### 2.4 BRCS AND THE SUSTAINABLE LIVELIHOODS APPROACH

A sustainable livelihoods approach underpinned much of the BRCS Tsunami Recovery Programme in Indonesia. Right at the outset, emphasis was given to training field staff in sustainable livelihoods approaches, in order to ensure that the needs of communities were effectively captured and appropriate interventions identified. At the start of both phases of the programme, livelihoods assessments were undertaken and fed into programme design. Impressively almost two years after the initial livelihoods training, field staff talked eloquently about its use and demonstrated clear understanding of the SL tools, approaches and the benefits it brought to the programme.

Due to the foresight of staff on the ground, livelihoods assessments were undertaken before the original programme concept note was finalised. This enabled the programme to be grounded in the needs of target communities, and helped to recognise the wider livelihood context and the capacity of local markets to provide many of the resources that communities required.

Evidence emerging from the literature suggests that using a sustainable livelihoods approach to frame discussions after an emergency can help to avoid unconnected policies and single commodity base approaches to socio-economic insecurity, poverty and vulnerability (Standing 2007). It is believed that can help to ease the transition to subsequent development programmes in a way that supports the pursuit of the internationally agreed Millennium Development Goals (MDG).

Livelihoods thinking continued to underpin much of the BRCS programme. When the intervention was



**Table 2: Other major cash grant programmes in post-tsunami programmes**

|                    | Cash transfer type  | Duration               | Purpose   | Conditionality   | Amounts  | Targeting   | Payment mechanism  | Skill building/ training   |
|--------------------|---|------------------------|---|--|--|---|--|--|
| <b>Mercy Corps</b> | Livelihoods Grant   | 2005-2007              | 'Retroactive insurance' a lump-sum for asset replacement... to 'jumpstart businesses'                     | One-off, for pre-existing activities   | Approx USD 250 per hh<br>Approx 7275 hh  | Tsunami-affected livelihood groups, employers, or livelihoods associations with constant membership.  | Unclear  | Training and funds for   |
|                    | Community cash grant  | 2005-2007              | To meet community-identified needs  | No specific condition, but must make plan, grant agreement, and verify fund use against it | Roughly calculated at USD 50 per hh use against it                                   | Tsunami-affected communities  | Bank a/c controlled by community selected reps, payment in instalments | Facilitated process  |
| <b>Oxfam</b>       | Livelihoods cash grant<br>Ph I (Mar-Oct 05): Loan<br>Ph II (Nov 05-07): Grant | March 2005-2007 (>2yr) | Food/ livelihood security, needs, recovery of previous activity, injection of cash into the local economy | Unclear. But in phase I should be repaid to village committee.                             | Approx. USD 350 per hh<br>Approx. 7000 hhcommittee.                                  | Sector targeting based on occupational groups, tsunami-affected hh. Also look at vulnerable. Approx. 30% early recipient women most hh head. Intra hh targeting unclear.<br>(later more focus on vulnerable - women, and self help groups formed) | Apparently given to beneficiaries in the field                         | Training initiatives emerged later 2006, eg. for women. Work with focused groups (eg. coconut farmers) is backed by accessing govt. technical resources. |
| <b>CARE</b>        | Livelihoods cash grant<br>Ph I: (Sep 05-): In-kind<br>Ph II: (06/07): Grant   | Sept 2005-2007 (>2yr)  | Asset replacement   | New or existing activity, based on proposal. Instalments to individual through group a/c.  | Up to approx. USD 500 in cash/ In-kind<br>Approx 5411 individuals through group a/c. | Tsunami-affected hh. (later focus on self help group formation and support)   | Through group bank a/c ('village development account')                 | Some training based on LEISA approaches  |

redesigned in 2006-07, livelihoods principles continued to underpin the way it was rolled out. The approach was an asset, ensuring that the focus remained first and foremost on the people the programme was intended to support, and helping to lay the foundations for longer-term development.

#### 2.4.1 SL PRINCIPLES UNDERPINNING BRCS ACTIVITIES

BRCS explicitly acknowledged that the principles in the Red Cross and Red Crescent Movement Code of Conduct shaped the original design and development of the programme. The Programme Handbook (March 2006) also stated that the programme would take a holistic approach, and supported implementation of good practice in the programme.

These principles are in fact very similar to those underpinning the Sustainable Livelihoods approach, and a brief look at the way that the SL principles were applied in the BRCS programme in more depth, helps to demonstrate how they underpinned much of what BRCS did.

- **People centred.** BRCS always acknowledged that the programme was first and foremost about disaster-affected people. In both Phase One and Phase Two, livelihoods analysis was undertaken at the start of the programme to build up an understanding of people's livelihoods situation. This fed back into the development of the overall programme.
- **Participatory.** From the outset, BRCS engaged PMI volunteers to live and work closely with the affected communities. This approach was taken to ensure that beneficiaries engaged with and participated in the programme. In collaboration with the PMI volunteers, beneficiaries were able to develop proposals based on what they wanted to spend resources on.
- **Sustainability.** Sustainability in the livelihoods context refers to institutional, economic, social and environmental sustainability. Two elements of the programme in particular contributed to promoting sustainability: use of assessments and reviews that contextualised interventions within the wider livelihoods context of recipients, and the provision of support that was flexible enough for people to undertake activities that were relevant to them. In addition, activities that would degrade the environment were prohibited. However, efforts to ensure institutional sustainability of new groups and village structures were perhaps the weakest

point, as only six months were allocated to establish new groups and Village Development Forums, and provide training.

- **Holistic.** The BRCS livelihood programme recognised that people needed more than just shelter in order to rebuild their livelihoods, and the cash grant element of the programme was established to support people to make their own livelihoods choices. There are many influences on people's lives at the household level and households are often engaged in multiple livelihood activities at any one time. This diversity was recognised in Phase One, which was fairly flexible about how grants were used. Meanwhile, although Phase Two introduced stricter emphasis on use of grants for income generating activities, additional capacity building was also provided.
- **Dynamic.** A learning approach underpinned the programme. Initially, a pilot phase was introduced to test out the approach. The importance placed on livelihoods assessments and the linkage of the PMI volunteers to communities also demonstrated a commitment to capture lessons as the programme was rolled out. As lessons were learnt, they were fed back into programme design.
- **Build on strengths.** Central to the programme was the recognition and trust that people knew what they needed to recover, and that they should be supported to rebuild their livelihoods in the ways that they felt were most appropriate. This was made possible due to the non-sectoral nature of the cash grant programme, which offered flexibility for people to identify opportunities that they felt most capable to engage in.
- **Micro-macro linkages.** Community outreach through PMI volunteers enabled a bottom up approach in Phase One, ensuring that realities on the ground informed programme design and decision-making. An appreciation of functioning markets in Aceh led to the development of a cash grant programme that supported these wider institutions. In Phase Two, the introduction of community grants to support development of public goods was an innovative approach to supporting access to markets and address wider issues for livelihood security.
- **Partnerships.** BRCS recognised that technical support would be needed to support livelihoods recovery in areas in which it historically had limited experience. In order to provide technical support, BRCS developed a range of service

contracts, mostly with other non-profits. Notably, BRCS also developed a strong partnership with HelpAge International that helped it to mainstream age issues into its programme.

## 2.4.2 HOW SL APPROACH SHAPED INTERVENTIONS

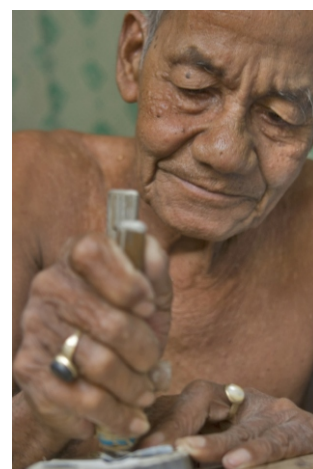
Immediately following the tsunami, people's asset-bases were severely depleted, affecting their ability to restart livelihood activities. The provision of relatively flexible grants in Phase One helped people to kick-start the process of livelihood recovery. By the time Phase Two was introduced, almost two years after the programme had started, it was recognised that many people had begun to rebuild their livelihoods, and a specific need for help with reestablishment of income generating activities was identified. Capacity building, group and community grants and livelihood diversification were introduced to supplement this focus.

However, the change in focus, together with limited time remaining for implementation, meant that sustainability was not given adequate attention. As a result, some of the new focus areas were questionable. This was particularly a concern in establishment of new groups. Although working with groups is an effective mechanism and should be encouraged where groups already exist, establishing new groups takes time, resources and nurturing. The primacy of male groups was also of concern. A recent study (ACARP 2007) found that micro-enterprise groups targeting women had higher success rates (in terms of the survival rate of businesses or funds) than their male counterparts. The time available for implementation of Phase Two was not conducive to introducing more complex programming methods such as the establishment of new groups.

Nevertheless, the recognition that livelihood recovery requires more than just rebuilding of physical assets to be sustainable was a notable strength in the second phase of the programme. This was particularly noteworthy in the new community grants component. While not all communities received these grants, those that did tended to allocate them to 'public good' investments that supported wider livelihood recovery. This included rebuilding of small bridges that improved access to markets, and reestablishment of community forests or retaining walls to protect land from erosion. This community grants component could help to increase the effectiveness of individual grants. A challenge for future cash grants for livelihood recovery programmes will be to ensure that

interventions identified have appropriate timescales for implementation. Sustainability is fundamental in a livelihoods programme and this may mean limiting activities. This issue is discussed more in the findings.

*Muhammad Isa (70),  
Teunom Baroe village, Pulo Breuh  
turning stones he collected from sea into jewel  
for his livelihood*





# Chapter 3

## FINDINGS AND LESSONS

The BRCS Tsunami Recovery Programme in Indonesia gained a wealth of experience in the design and implementation of a cash grant programme for livelihood recovery. The programme was unique in its scale, scope and access to financial resources, and in three years BRCS disbursed US\$ 10 million in cash grants (US\$ 7 million in Phase One and US\$ 3 million in Phase Two). It also did this in a remarkably accountable and transparent way, even in the face of incredible pressure to disburse and show achievements. Early indications are that the grants had a significant impact on households as they re-established their livelihood activities. BRCS, its staff and partners from the Indonesian Red Cross (PMI), are to be commended for their remarkable achievements in the programme.

In the unusual post-tsunami funding environment, funds were not a constraint. But with the establishment of heavily resourced programmes in areas known for conflict and corruption, risk of corruption and leakage was. Given how new the BRCS Indonesian programme was to conducting a programme of this type and scale, its decision to do so and its resolve in carrying the programme through were commendable and showed willingness to learn.

Findings/ lessons from the programme emerged in three broad areas:

- A need for a BRCS strategic framework on recovery
- Clearer guidance on programme planning for cash grants; and
- Need for stronger inter-agency co-ordination

### 3.1 NEED FOR A BRCS STRATEGIC FRAMEWORK ON RECOVERY

The most crucial lesson from this study is the need for BRCS to develop a strategic framework on recovery in order to provide a foundation and framework for decision-making in future programmes. Such a framework should include policies on recovery, targeting, timeframe and approaches. A key component would be a roadmap outlining sequencing of activities, and distinguishing between those that are urgent and those that can be implemented as and when

appropriate conditions arise. This section outlines lessons that will help to shape an overall BRCS strategic framework on recovery.

#### 3.1.1 NEED FOR A BRCS POLICY ON RECOVERY

A clear message emerging from the study was the frustration felt by staff working on the ground at the lack of any clear policy guiding their recovery work. This meant that at times, staff found it difficult to resolve internal debates over the programme direction. Lack of a unified approach or policy meant it was hard to keep the programme focused when new ideas and approaches arose. Interestingly, this was not unique to BRCS, and was experienced by almost all organisations visited in Aceh.

In contrast to other organisations, however, BRCS Indonesia programme did develop a detailed handbook for its recovery programme (March 2006). This was well thought out and captured what had happened on the ground, providing clear rationales for decisions. But difficulties in not having a clear recovery policy emerged as staff changed and diverging opinions were brought into focus by a contested programme review. External drivers like pressure to disburse and show achievements from public, donors, media and communities helped to build consensus around the design of a second phase. However, the process of change was protracted as there was little point of reference to resolve pressing questions on approaches, and these were no longer codified in a programme handbook. At the same time, once consensus was reached and Phase Two got going, the team worked extremely hard and were able to deliver on their commitments.

#### LESSON 1:

**BRCS NEEDS A CLEAR POLICY ON RECOVERY. THIS WILL ENABLE QUICKER DECISION-MAKING IN THE EARLY STAGES OF A DISASTER AND GUIDE THE TIMELY DEVELOPMENT OF PROGRAMME PLANS WITHIN ORGANISATIONAL AND COUNTRY PRIORITIES.**

### 3.1.2 NEED FOR A BRCS POLICY ON TARGETING

Phase One of the BRCS cash grants programme, which begun a short time after the tsunami, adopted a blanket approach to targeting. Any tsunami-affected individual or family in programme areas was eligible to join the programme, save those on a short negative list (including members of security services). This was generally agreed to be a reasonable response, based on the extent of the devastation, and the understanding that 'most people had lost everything'. Additional support was also provided to single parents and orphans who had been identified as being particularly vulnerable.

By the time of the second phase, it was felt a blanket approach was no longer appropriate over two years after the tsunami. The programme therefore attempted to focus grants towards the most vulnerable, identified as women, old aged and disabled. Yet, the considerable time spent determining this targeting was probably not outweighed by the benefits, as in reality it did not much affect which families received grants. It did, however, ensure that funds were more often provided to women than to men intra-household targeting. Safety net payments to orphans were continued, though some work was needed to assess and limit liabilities related to this component of the programme.

In both cases, targeting decisions appeared to correspond well to the fundamental principles of the Red Cross and Red Crescent Movement, in particular to the principles of impartiality and neutrality, which include non-discrimination and proportional response based on need. It is widely accepted that on day one after a rapid onset disaster all affected people are vulnerable some chronically vulnerable, others transitory vulnerable (Oxfam 2006). How long vulnerability lasts depends on a number of external influences. Two years after the tsunami, it certainly made sense to consider adopting a finer-grained approach to targeting based on need. But whether BRCS should have looked at these issues sooner, and how it should have conceptualised and adapted its programming to accommodate them is a moot point in the absence of an organisational policy on targeting.

Vulnerability was also specifically addressed in a number of ways in the programme. This included the provision of grants to widows and orphans, which did not depend on business proposals and did not tie use of funds to income generation. This introduced an interesting 'safety net' element, which might be considered worth pursuing. However, unlike in a full-

blown 'safety net' approach, BRCS did not fully address the issue of what would come in to replace it after the programme was gone.

Meanwhile, other elements of the programme probably worked against inclusion of the vulnerable even though the programme especially in the second phase strove to include them through refined targeting and additional facilitation. The conditions around individual and group grants in this phase were a key issue here, as a stricter focus on income generating activities and economically productive groups likely worked against including those who were truly vulnerable. This does not mean that the BRCS should have tried to devise imaginative ways to get such groups economically active. Rather it may be necessary to explicitly acknowledge that there are chronically vulnerable groups who will be excluded by the cash grant for livelihood recovery approach. If BRCS is committed to targeting chronically vulnerable people, more specific safety net transfers might be required.

Efficiency is also a key issue for BRCS to consider when thinking about targeting. Targeting creates costs, which may outweigh benefits. Current literature on targeting suggests that it may be better to avoid targeting on efficiency grounds due to the increased costs it incurs without necessarily increased benefits - since all targeting mechanisms will miss some people, and include others that they shouldn't (Dutrey 2007). In addition, the greater the need to mobilise resources quickly, the less time there is to introduce more complex targeting systems. In short, a blanket approach might score better on cost-benefits for responsiveness to need, time to mobilise, and cost effectiveness than detailed targeting. Furthermore, while decisions on targeting must always respond to the specific context, much of the framework and thinking around it must take place pre-disaster in order to ensure that the correct guidance is provided.

#### LESSON 2:

**ESTABLISHING A POLICY ON TARGETING IN RECOVERY PROGRAMMES IS ESSENTIAL. IT SHOULD BE INFORMED BY ANALYSIS OF VULNERABILITY AND POVERTY, INCLUSION AND EXCLUSION ERRORS AND THE COST-BENEFITS OF TARGETING IN A RECOVERY CONTEXT.**

### 3.1.3 TIMEFRAME

The BRCS needs to have a clear position on how long it sees itself engaging in recovery programmes. The tsunami experience was unique in terms of the amount of resources available and the decision to continue programming for three years. All agree that this is unlikely to happen again. However, a clear indicative timeframe for recovery is still required, in order to set boundaries on the type of activities and approaches that are appropriate in recovery programmes.

Livelihood recovery is a broad umbrella term that can cover a range of interventions. The Tsunami Recovery Programme in Indonesia recognised this, introducing cash grants, shelter and disaster risk reduction. It is the timeframe for the overall recovery programme that is the key issue for BRCS, as this will influence the timeframe for other programmes implemented within it. This review therefore looked at what might be a feasible timeframe for BRCS to engage in Livelihood Recovery Programming generally. This will ultimately influence the timing of a cash grant programme.

It has long been recognised that there is not a clear divide between relief, recovery and development and that these processes often take place concurrently (Oxfam 2006). However there has been little consensus on what this means for people working on the ground. The UN Cluster Working Group on Early Recovery (CWGER) has developed a framework that envisages 'Early Recovery' as a multidimensional process guided by development principles, which begins in a humanitarian setting and seeks to build on humanitarian programmes to catalyse sustainable development opportunities.

The World Bank and UNDP use the following typology for the phasing of recovery: stabilisation/transition (<12 months after a disaster); transformation (12-36 months); consolidation (36-120 months). Both the work of the UN CWGER on Early

Recovery, and the World Bank and UNDP typology on phasing are useful starting points for BRCS to conceptualise where it aims to position itself in recovery programming. Given that BRCS does not see itself as a development organisation, and that its work in recovery has emerged from its relief activities, it might be thought appropriate for BRCS to position itself within this early recovery framework of up to 12 months.

### 3.1.4 SUSTAINABLE LIVELIHOODS APPROACH

A sustainable livelihoods approach was successfully used throughout the programme (see Chapter 2). In both Phase One and Phase Two, livelihoods assessments were undertaken to build up an understanding of the wider livelihoods context in which people were living. This ensured that the complexities inherent in the post-conflict context were reflected in the programme design. The livelihoods assessments also helped to identify that markets were still effectively working in Aceh and as a result the cash grant programme was developed. This wide contextual understanding is essential for the development of any livelihood recovery programme and was done well by BRCS.

Using a sustainable livelihoods approach can help to bridge the gap between relief and development. Applying SL principles early on in the humanitarian setting can help to identify livelihood recovery opportunities and ensure that interventions form a good foundation for future development (as indeed, any livelihood recovery programme must ensure that interventions are designed to lead to sustainable outcomes). A number of agencies in Aceh working in livelihoods recovery specifically acknowledge that they were using the Sustainable Livelihoods Approach and many undertook some form of livelihoods baseline assessment. All organisations recognised that recovery was more than just housing, and that people's livelihoods needed to be rebuilt. However, interventions tended to focus on a narrow conception of livelihoods as income generating activities.

BRCS may find it useful to consolidate this experience so that the SLA can be mainstreamed into recovery programming, including in situation assessments, identification of interventions based on the wider livelihoods context, and livelihoods monitoring. In order to do this, it might be useful to focus in on areas of the SL framework that are most relevant to recovery. This study suggests two areas of the framework that it might be particularly interesting to elaborate or refine for recovery contexts. These are (i) livelihood assets,

#### LESSON 3:

**A CLEAR INDICATIVE TIMEFRAME  
NEEDS TO BE SET TO INFORM  
RECOVERY PROGRAMMING, BASED  
ON ORGANISATIONAL GOALS.  
INFLUENTIAL RECENT THINKING ON  
RECOVERY SUGGESTS THAT FOR  
BRCS THIS MIGHT BE AROUND 12  
MONTHS.**



and the ways in which different assets contribute to livelihood recovery, and (ii) the holistic framework for analysis, particularly the ways in which vulnerability and the role of policy, processes and institutions should be understood in a recovery context. With the ILO and FAO championing the use of SL assessments in early needs assessments for rapid on-sent disasters, BRCS has a lot to share and learn with these organisations. Consolidating experience and refining the SL approach to meet organisational vision are important next steps for BRCS to consider.

#### LESSON 4:

**A SUSTAINABLE LIVELIHOODS APPROACH HELPS ENSURE THAT PROGRAMMES ARE BASED ON HOLISTIC ANALYSIS AND SUPPORT SUSTAINABLE SOCIO-ECONOMIC RECOVERY. BRCS SHOULD CONSIDER MAINSTREAMING THE USE OF SL WITHIN ITS RECOVERY PROGRAMMING.**

### 3.2 CLEAR GUIDANCE ON PROGRAMME PLANNING FOR CASH GRANTS

Cash grants are one potential tool in a wider process of assisting people to recover and rebuild their livelihoods after a disaster. They have increasingly been used for this purpose over the last few years and as a result there is a growing body of experience on what effective cash grant programmes for livelihood recovery should include. This section outlines some lessons from the Indonesia Tsunami Cash Grant Programme.

#### 3.2.1 CONDITIONALITY

Although cash is the most flexible of all programming tools, most cash grant programmes include some conditions or criteria on how it should be spent. For example, that it should be used to build shelter, purchase livelihoods assets, or start a business. Conditions therefore reflect a programme purpose and its assumptions about how people need to be helped. Conditions are not identical to the controls that are often used to enforce them, but rather are reflected more generally in the way that a programme is designed to encourage recipient participation in accessing project benefits.

All agencies giving cash grants in Aceh applied conditionality in one form or another and almost all required some kind of proposal or business plan to be submitted for approval. But the nuance in the conditions applied, and the ways in which they were operationalised, pointed to differing assessments of needs or assumptions about the most relevant ways to promote recovery.

The key issue with conditionality then, was the extent to which it ensured relevance to people's needs. Importantly, although BRCS grants had to be spent on income generating activities, they were generally flexible enough (non-sectoral, non-prescriptive and relatively lightly controlled) to ensure relevance to people's livelihoods. People had a fair degree of choice in what they could do. In Phase One this flexibility extended to letting people pay school fees and service other immediate needs. This is something that not many agencies did, but was appreciated by BRCS recipients, and little asset substitution was evident. Given that funds were spent on livelihood-supporting items (such as education, household items) it is felt that this flexibility was appropriate and should be replicated in future grants that are disbursed rapidly after a disaster.

Phase Two saw further conditions being added which prevented the use of grants for activities other than income generation. Given that this phase got underway two years after the disaster, this restriction might have been appropriate and helped people to focus on securing income. But although most grants were apparently used to establish livelihood activities, not all led to income generation increases in subsistence production also occurred, for example (and its importance to livelihoods should also not be neglected). There were also examples of people not carrying on with income generating investments that they committed to in proposals.

BRCS must make a realistic assessment of the type and degree of conditionality that is appropriate in time-bound recovery programmes. Time limitations should

#### LESSON 5:

**LIMITED CONDITIONALITY, WITH INCENTIVES AND FLEXIBILITY TO SPEND CASH ON A RANGE OF LIVELIHOOD ACTIVITIES BRINGS MOST BENEFIT IN A LIVELIHOOD CASH GRANT PROGRAMME.**

be the ultimate guide. It is important to remember that conditions can be beneficial in ensuring that people focus on livelihoods recovery but that they should also be flexible enough to ensure that relevant investments can be made.

### 3.2.2 COSTS OF COMPLIANCE AND CONTROL

From virtually nothing, the BRCS cash grant programme established impressive systems for registration, proposal and contract development, fund disbursement through banks and ATM, compliance monitoring and data capture. Although some systems were found to be inappropriate (e.g. retina scanning, later jettisoned) many clearly operated to provide the impressive level of accountability that characterised the programme. However, any system creates burdens and the more complex it is the more likely it is to slow down delivery. Staff, systems and equipment required to operate complex control and compliance procedures increased transaction costs. There were also opportunity costs, as time that might have been used in other ways was diverted to administration and monitoring. Speed of delivery was also affected. In Phase One, the first grant instalments to 'pilot' recipients were made four months in. This pattern repeated in the second phase as time was spent developing systems and procedures, and sensitising communities to them. Bottlenecks in data or bank account processing featured in both phases, as did collection of more data than could be analysed or used. As one manager put it, "we put up too many hoops for ourselves to jump through."

The first and most obvious reason for controls was accountability. But controls put in place by the BRCS team apparently went beyond what was required. In hindsight, there were probably a number of areas where the programme could have lightened the load, including: over-heavy requirements on registration such as creation of special IDs and iris scans; more levels of sign-off for disbursements than really needed; over-loading on data capture; over-centralisation of data processing; and possibly less burdensome alternatives to bank accounts (e.g. bank service desks or post office). While micro-management from HQ would have been counterproductive, more strategic guidance or support, for example on minimum audit and reporting requirements, might have helped to develop appropriate systems. In the meantime, the development of guidance on cash transfers (IFRC, 2007), which took place during this programme, will help. It should continue to be supplemented by best practice.

A second reason for the introduction of complex systems for compliance was to ensure that recipients used funds well. While one of the basic reasons for cash programmes is to provide recipients with greater say over investments and reduce transaction costs, the mantra of 'people know best' is also often countered by conditionality. This is then supplemented by support (e.g. facilitation or training for recipients to choose and use investments well), incentives (e.g. offers of additional in-kind assistance) and controls (e.g. staged disbursements, conditional group disbursements, and verification systems). One of the reasons for introducing support, incentives and controls is to push recipients in the direction of using funds in line with the programme purpose. However, there is enough evidence in the literature and from this programme to suggest that unless programmes are aligned to recipient needs and priorities, asset substitution will occur and that the transaction and opportunity costs of attempting to control it will be high. Meanwhile, even if behaviour can be effectively controlled, forcing people to act in line with priorities other than their own is unlikely to promote much better outcomes in the longer run however good it might be for reporting. This indicates that greater focus on support and incentives and less emphasis on control is probably worthwhile. It also indicates a need for more monitoring of livelihood outcomes as opposed to whether people acted in accordance with plans.

#### LESSON 6:

**CONTROLS ARE IMPORTANT BUT SHOULD BE DESIGNED LIGHTLY. FINANCIAL ACCOUNTABILITY AND MONITORING HOW RECIPIENTS USE GRANTS ARE IMPORTANT BUT SHOULD NOT IMPOSE BURDENS THAT OUTWEIGH THE BENEFITS TO THE PROGRAMME.**

### 3.2.3 OUTREACH

The BRCS began operating in Aceh in January 2005. From an early stage it established a close relationship with the Indonesian Red Cross (PMI). At the end of February 2005, BRCS arranged for over 70 PMI staff and volunteers to take time out to reflect on how to work in the recovery phase. Their reflections were incorporated into the design of the recovery programme. An 'operational partnership' was also agreed, in which BRCS would work directly through

locally recruited 'live-in' PMI volunteers. This unique outreach approach was a defining feature throughout the programme.

Overseen by BRCS Field Officers, the presence of volunteers in villages where BRCS worked helped to ensure that BRCS knew what was happening on the ground and how things were changing. The live-in volunteers provided a unique ability to 'be there' in communities and acted as the eyes and ears of BRCS, feeding back on beneficiary condition and views. It also showed to communities that BRCS was serious about supporting them. "They lived and worked amongst us, they were serious about helping," as one woman commented. Undoubtedly, another factor in the success of this partnership was good management and relationships of PMI volunteers with the BRCS team. During a brainstorming with volunteers in one regional office, all agreed that key positive elements in working on the programme had been that they were treated with respect, expected to show work discipline, and that their views were listened to in staff meetings.

This set up was unique to BRCS no other agency providing cash grants for livelihood recovery used this level of outreach. While this study was not about assessing impact, there was a strong feeling from beneficiaries, volunteers, field officers and programme staff that this level of outreach was key to ensuring the success of the programme.

The value of outreach in cash grant programmes is not currently well captured in the literature, and it would appear that the BRCS 'facilitation-intensive' model has been a fairly innovative adaptation in cash grant programming. The effect it had on ensuring efficient information flows, links to the community, support in business plan development, identifying training needs and supporting wider social networks and trust in the community seem invaluable. Given the unique linkage that Red Cross/ Red Crescent societies have to their counterpart National Societies, and the speed at which national organisations can mobilise volunteers, it is

#### LESSON 7:

**INVESTING IN OUTREACH ENABLES MEANINGFUL ENGAGEMENT AND BENEFICIARY PARTICIPATION. BRCS SHOULD CONSIDER HOW IT CAN REPLICATE THE SUCCESS OF THIS OUTREACH APPROACH IN FUTURE RECOVERY PROGRAMMES.**

worth considering how to replicate the success of this type of outreach in future recovery programmes.

#### 3.2.4 AMOUNT OF CASH GRANT

A key question in any cash grant programme is the right amount to give to people, and whether to provide it as a one-off payment or in installments. Since this programme was established, the IFRC has developed excellent guidelines for Cash Transfer Programming (2006) and the ODI has completed a project on learning around cash based responses following the Indian Ocean Tsunami. Both provide useful guidance for setting appropriate amounts of cash grants in future.

When the programme was first established, BRCS, in consultation with communities, decided to base its household cash grant on the average annual income of a junior civil servant. This was about US\$1,000 and was seen as a realistic amount to cover costs of replacing assets like boats, nets and livestock as well as providing some additional assistance that could be used for wider livelihoods-related needs. It is important that funds were not restricted to income generating assets, but could also be spent on other assets such as education and household goods. This was based on the recognition that following the disaster there would be urgent household priorities other than just income generation. Rather than restricting these expenditures, which would likely have forced some to resort to asset substitution, the generous amount and flexibility meant that grants were generally spent as intended even if they did sometimes deviate from recipients' initial business plans.

At this time, most other organisations were giving a maximum of US\$500. Consultations highlighted that these limits were generally set on rough calculation of how much it would cost to set up a small income generating business such as a coffee shop, small poultry projects and so on. They did not appear to account for whether people were able to meet basic needs, or how long it might take for their businesses to start generating income. This issue is especially important for seasonal activities that might not generate an immediate return on capital investments. As a result, some individuals expressed frustration that their grants were not enough.

Following the October 2006 review of the BRCS programme, livelihood grants were reduced to US\$500. While the review did not stipulate this amount, it did recommend that the programme focus



on targeting more economically vulnerable parts of the tsunami-affected population. Meanwhile, the considerations applied in determining the new amount were vague, though the calculation seems to have been based loosely on an estimate of what it would cost to buy assets for the start up of a small business. Another driving factor seemed to be the need to bring BRCS grant in line with other organisations based on reviews and comments that the BRCS grant was 'unusually high'. But it appears that no studies were undertaken to inform the decision on the amount, and at the same time other organisations were expressing concern that their grants were insufficient. While a review in November 2007 found that, "the reduced amount was appropriate at this later stage," the lack of a clear rationale or assessment to determine this change makes it difficult to assess appropriateness.

Interestingly, an ODI review of cash grant programmes in tsunami-affected areas (2007) highlighted the strength of the original BRCS approach. It found that many agencies underestimated the cost of getting people back on their feet. This was particularly linked to inflation, which raised the prices of inputs, as well as a failure to incorporate the need for people to buy basic items. Meanwhile, BRCS was also commended for its clear approach to equity and equality in targeting.

#### LESSON 8:

**ENSURE WIDER LIVELIHOOD NEEDS ARE CONSIDERED IN SETTING CASH GRANT AMOUNTS. UNDERESTIMATING AMOUNTS WILL MEAN THAT PROGRAMMES ARE NOT RELEVANT TO NEEDS AND MIGHT COMPROMISE RECOVERY.**

#### 3.2.5 FOCUS OF GRANT - INDIVIDUAL, GROUPS OR COMMUNITY

**Individual grants.** Individual livelihoods grants were provided throughout the programme, and accounted for the vast majority of investments (a total of US\$ 6,248,268 in the first phase and US\$ 1,732,409 up to March 2008 in the second). In the second phase of the programme, which introduced new group and village grants, individual grants still had the highest priority, accounting for more than twice the amount provided through both these new grant mechanisms combined. There seems little question that in forthcoming BRCS cash grant programmes, the focus on individuals will

continue to be key. Providing funds direct to individual household representatives would seem perhaps the simplest and most effective way to ensure that funds reach the most vulnerable and that equity is served.

**Group grants.** Following a review of the cash grant programme in October 2006 a decision was taken to disburse funds to occupational groups and village development forums, as well as to individuals. Most agencies with cash grants programme adopted similar approaches to working with occupational groups. The vast majority of such occupational groups were newly formed. Based on rough estimates from BRCS and other NGO staff interviewed, not more than 10-20% of groups existed before the programmes were established. Key issues with groups included:

- **Targeting and vulnerability.** Despite a greater focus on vulnerability in the second phase, occupational group grants did not focus on the vulnerable. Rather, funding was targeted at groups that demonstrated entrepreneurial skills and proposed viable business plans. It is likely that this tended to exclude the more vulnerable from benefits. Groups were sometimes said to have provided 'social support networks', and they clearly did, at least for some. However, maximizing such outcomes would require a more explicit focus in the intervention.
- **Instrumental justification.** Groups were sometimes set up mainly for instrumental purposes. Examples include groups set up by CARE, which performed a 'social control' and monitoring function helping to ensure that recipients purchased what they said they would. Another is the UN Habitat shelter programme, which disbursed funds to group members in instalments, based on group achievement of targets. Such groups were not necessarily set up to sustain, but rather were instrumental to project purposes. Objections to this approach were evident. Within BRCS, some felt it was not appropriate to set up 'project' groups that this had been a bad practice of government, encouraged unhealthy opportunism, and damaged social capital. An internal Oxfam report also argued that, "cash grant, as any other intervention, is supposed to be carried out for making beneficiary's lives better not for making operational lives easier". However, such criticisms are not clear-cut. Benefits of instrumental approaches should be recognised, but they should also be weighed against analysis of possible negative impacts.



*Elderly people in Tanoh Manyang village, Teunom and Pulo Breuh Aceh Besar*

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- **Sustainability.** During discussions on whether to support livelihood groups, concern was raised as to whether groups could become sustainable within such a short project timeframe. But there was no consensus on whether sustainability was important or not, and more generally the purpose of establishing groups was unclear – were they a means of disbursing large grants, a way to mobilise collective action, or a sustainable vehicle for livelihood recovery? Meanwhile, anecdotal assessment of sustainability of groups was not optimistic. While staff projections for sustainability of the 10-20% of groups that pre-existed the programme were positive, overall the most optimistic projection for group sustainability was 50%, and most felt it would be some way below. In light of this, some noted that 'sustainability was a bonus'. But this does not fit well with an apparent focus on joint asset purchase, at least in groups observed for this study. Limited sustainability of groups supported by the project would bring into question issues around asset ownership and disposal. While some group vision and planning exercises were conducted, there was little evidence of agreements in place to prevent elite capture of project investments in the case of group disbandment.

This suggests a number of specific lessons. First, in a time-bound recovery programme, it is probably better to avoid providing jointly owned assets to newly established groups, unless sustainability issues can be resolved. Second, groups can provide social support, but a specific programmatic approach, including targeting and facilitation (such as that employed by partner HelpAge) is probably called for if this is to be more than an occasional spin-off benefit. Third, benefits of setting up 'instrumental' groups should be clearly weighed against supposed negative impacts of doing so. And finally, it is essential to clearly articulate the purpose of working with groups – including expected benefits, and whether they are intended to sustain.

**Community grants.** In the second phase of the cash grants programme, 'BRCS set up Village Development Forums' to monitor grants and to plan and implement community grant projects. This was similar to approaches adopted by other NGOs, who also worked with community committees in one form or another, and provided funds to them for 'public good' projects. In most cases, community committees were ad hoc institutions, with little rooting in Indonesian and Acehnese statutes on village governance. While this made them vulnerable to charges of not respecting

existing structures, as one internal review stated, in fact it was not at all clear that such ad hoc committees created significant problems. In-depth assessments by TEC on local capacities (2005), or more recently by ACARP on village institutions (2008) did not seem to see proliferation of village project committees as an issue worthy of note.

Meanwhile, the BRCS programme for the most part seemed to prove that even with very light accountability requirements and some good facilitation, instrumental committees can do effective and useful work in a remarkably accountable way. Community grants that helped to repair broken bridges or prevent erosion were visible and high-impact projects – providing a 'flexible friend' to the programme and to the communities where it worked. However, there are some riders. First, some projects veered into collectivisation of otherwise typical private sector activities – e.g. providing rent-out rice mills as village assets. Second, they also placed burdens on project teams – leading some to postpone implementation until their other grant-work was well underway, and others to implement many fewer projects than intended. This also suggests that community grants were somewhat marginal within the programme. If this approach is used in future, it will be important to ensure that grants are not supply driven. Developing a simple needs assessment and funding criteria might help.

Overall, it is important to recognise the 'drag' that introducing different types of grant, with different procedures and purposes, can place on a programme. As one volunteer put it, "we felt that we were going into villages with three different sacks of cash." Even in the well-resourced Aceh programme, capacity to administer the various individual, group and community grants was limited. Explaining new

#### LESSON 9:

**INDIVIDUAL HOUSEHOLD GRANTS ARE AN EFFECTIVE AND SIMPLE TOOL FOR ENABLING PEOPLE TO REBUILD THEIR LIVELIHOODS FOLLOWING A DISASTER. INTRODUCING A MIX OF GRANT MECHANISMS CREATES COMPLEXITY AND ADDITIONAL PRESSURES ON STAFF AND RECIPIENTS. A REALISTIC ASSESSMENT SHOULD THEREFORE BE MADE OF BENEFIT**



procedures to recipients also required effort. These issues were clearly manifested in a strategy of 'phasing in' different grants throughout the programme individual grants first, then group grants, then community grants reflecting also their relative importance in terms of expenditures and focus.

### 3.2.6 CAPACITY BUILDING

From the start of the cash grant programme, provision of training to household members to enhance productivity and sustainability of chosen livelihoods activities was on the agenda, and a number of technical advisers were recruited to do it. But the ongoing burden of setting up and administering grants meant that the focus remained on the 'nuts and bolts' of grant making. As a result capacity building did not feature in Phase One. The BRCS programme review in October 2006 highlighted this issue, and as a result, renewed emphasis was given to capacity building in Phase Two. In this second phase of the programme, a medley of trainings by BRCS and its partners supported everything from agricultural diversification to group bookkeeping to good practices for livestock keeping.

From discussions with beneficiaries, it appears that those who went back to pre-tsunami income generating activities saw most value from the training. Where training was provided to those who had chosen to take up new income generating activities, it appeared that training was not substantial enough to support this new choice. This finding is based on anecdotal evidence only as there was not sufficient time in this study to do an in depth review on capacity building. However, it does accord well with the findings of a number of other reviews, including that of an in-depth ACARP study in Aceh (2008).

The literature around cash grants stresses that they are just one tool to support livelihood recovery. Of equal importance is the need to provide technical assistance

to beneficiaries to develop and sustain small-scale enterprises to support it (ODI 2007). It therefore seems appropriate that BRCS took this approach. However, time constraints presented a significant challenge for capacity building. This raises wider questions relating to the need for an overall strategic framework for recovery in particular, the question of how long the organisation wishes to engage in recovery activities. This will ultimately shape any capacity building approach within the programme (see also section 3.1.3.)

### 3.2.7 PARTNERSHIPS

There were three different aspects to the BRCS partnership approach in Aceh, all non-traditional for the organisation. Each offered a unique opportunity to ensure wider community participation and technical coverage. The three different aspects were:

- National Society Partnership. Working through live-in volunteers recruited by the Indonesian Red Cross (PMI) but managed directly by BRCS (discussed in section 3.2.3).
- Service contracts with other agencies - primarily local non-profits with technical expertise, who could provide training and capacity building support to grantees. This worked reasonably well to supplement core program activities, enabling BRCS to scale up training in the second phase. It is well worth considering such a contracting model in future if it is perceived that capacity building is a critical and viable aspect of the programme.
- Institutional collaboration. BRCS work with HelpAge was a more collaborative partnership where both agencies brought resources and had shared aims. It is worth continuing to pursue wider institutional partnerships, particularly at an international level.

Whilst some other agencies did contract other non-profits to provide training, none operated partnerships around cash grant programming on anything like the scale of BRCS. Engaging in this way with partners and service providers enabled the programme to support the wider context of livelihood recovery, essential for ensuring sustainability of programme impacts. By using partners rather than trying to do everything itself, BRCS undoubtedly achieved cost savings too. Looking forward, establishing strategic and complementary partnerships ahead of the next disaster would have clear benefits for future recovery programming. This would enable BRCS to focus on

#### LESSON 10:

**CAPACITY BUILDING CAN BE AN EFFECTIVE TOOL TO SUPPORT GRANT INVESTMENTS EVEN IN THE SHORT TERM. BUT BRCS NEEDS TO ENSURE THAT CAPACITY BUILDING INTERVENTIONS CAN ACHIEVE RESULTS WITHIN THE RECOVERY PROGRAMME TIMEFRAME.**

what it does best, setting up rapid relief and recovery programmes, while at the same time drawing on technical expertise to support them.

#### **LESSON 11:**

**PARTNERING IS A COST-EFFECTIVE WAY TO BRING IN ADDITIONAL TECHNICAL INPUTS TO A RECOVERY PROGRAMME. STRATEGIC PARTNERSHIPS COULD BE DEVELOPED IN ADVANCE IN SPECIALIST PROGRAMMING AREAS TO COMPLIMENT EXISTING BRCS STRENGTHS.**

### **3.3 NEED FOR STRONGER INTER-AGENCY COORDINATION**

Support for early recovery from governments, international agencies, NGOs and others is often seen as a combination of isolated and uncoordinated interventions, leading to duplication of effort in some areas, failure to consider risk reduction and conflict prevention in others, and ending ultimately in failure to put in place the conditions for sustainable long-term recovery (CWGER 2007). In 2007, the UN established a working group to try and resolve some of these issues, primarily for UN and partner organisations. However, to date there has been little engagement with NGOs, even though their coordination is equally important for achieving sustainable long-term recovery.

A livelihoods recovery working group (LRWG) was established by UNDP in January 2005 as a forum for NGOs implementing emergency-recovery livelihood programmes in Aceh Indonesia. But due to the broad range of activities that fall under a livelihoods banner, the LRWG faced challenges in maintaining coordination, continuity of focus and fostering collaboration between stakeholders. As a result the working group became more of a talking shop than a forum for action or change.

Other attempts at cross learning and sharing of lessons took place, including in an ODI-led project that was funded by the BRCS, SCF UK, Oxfam GB, Mercy Corps and Concern Worldwide. This project aimed to document learning around cash-based responses to the Indian Ocean Tsunami. Whilst a wealth of useful information and lessons has emerged from this project, it did little to ensure effective coordination and collaboration of efforts at the time.

One of the challenges highlighted by other NGOs on the lack of co-ordination at the time was that BRCS was seen to be giving a much higher value grant than the other NGOs and this said to be causing problems for them on the ground, with people demanding more money or not wanting to be part of these other NGO programmes. Whether this was the reality or not is difficult to prove or disprove. But the issue is that there was mixed feelings amongst NGO organisations in Aceh as to what was or was not appropriate. Many NGOs, BRCS included, commented that there was much confusion on the ground as to who was doing what and working where, little shared learning, and even that there appeared to be competition between NGOs. A genuine commitment to working together, whether through the LRWG or other forum, might have averted some of these problems.

#### **LESSON 12:**

**IT IS ESSENTIAL TO FIND BETTER WAYS TO COORDINATE WITH OTHER NGOS AT ALL LEVELS TO ENSURE THAT LESSONS ARE LEARNT AND SHARED, AND BEST PRACTICE DEVELOPED. MANY NGOS ARE STRUGGLING TO DEAL WITH SIMILAR ISSUES. BUT STRATEGIC ENGAGEMENT ON COORDINATION AND CAPACITY ON THE GROUND TO DO IT BOTH NEED TO BE IMPROVED.**

# Chapter 4 | RECOMENDATIONS

In Chapter 3 findings emerging from the study were analysed and brought together in twelve lessons. In this section we make recommendations on how these lessons can be taken forward by BRCS in order to improve the relevance and impact of its livelihood recovery work.

## 1) DEVELOP AN OVERALL BRCS STRATEGIC FRAMEWORK FOR RECOVERY

The BRCS does not have a clear strategic framework on recovery. A strategic framework on recovery would provide the foundation and framework for future programmes to make decisions. It should include policy on recovery, targeting, timeframe and approach. A key component of a strategic framework should be a roadmap that outlines a sequencing of activities. This will help to distinguish between urgent activities and those that should wait until certain conditions are in place

Work has begun on developing an overall framework for recovery in BRCS. This should remain a high priority for the organisation with lessons emerging from this study feeding into this process. It will be important for the organisation to clearly articulate what it sees its role as in a recovery context in order to ensure greater coherence in future programming.

## 2) FEED LEARNINGS FROM THIS STUDY INTO THE UPDATE OF THE 2007 ICRC/IFRC GUIDELINES FOR CASH TRANSFER PROGRAMMING, IN ORDER TO MOVE FORWARD BEST PRACTICE ON CASH TRANSFERS IN THE RED CROSS MOVEMENT

Livelihood recovery is a broad umbrella term that can cover a range of interventions aimed at supporting people to recover and rebuild their livelihoods following a disaster. Cash grants are just one potential tool in a wider process of assisting people in this recovery. It has been increasingly used for this purpose over the last few years, and as a result there is a growing body of experience to draw from to help shape what effective cash grant programmes for livelihood recovery should include.

A number of lessons emerge from this study. There are also numerous lessons from the ODI learning study

on cash transfers in the post-tsunami context, and a number of organisations are also funding separate learning studies on their cash grant programmes. Drawing together lessons from these studies would greatly benefit the planned revision of the ICRC/IFRC Guidelines for Cash Transfer Programming and ensure that best practice on cash transfers is moved forward in the Red Cross Movement.

## 3) BRCS TO ENGAGE WITH THE CWGER AND INTERNATIONAL NGOS TO ENSURE MORE EFFECTIVE COORDINATION OF RECOVERY ACTIVITIES IN FUTURE DISASTERS

Based on the literature, as well as on experiences in Aceh, there is a clear demand for an agreed conceptual/programmatic framework for recovery. There has been a lot of debate on the blurred line between relief and development, and the concept of 'recovery' has emerged to fill this gap. But there is no clear agreement on what recovery means, what it should achieve, and what approaches it should include. There is a role at the international level to bring those organisations and donors who are actively involved in this emerging area of work together to agree what an overarching framework should or could be. Given the experience of the Red Cross in leading the Sphere initiative and its wealth of experience in early recovery work, BRCS would be a legitimate organisation to mobilise such a group. It will be important to ensure that lessons and learning feed into the Cluster Working Group on Early Recovery (CWGER). While this working group is aimed mainly at UN level, there is a clear need for collaboration and linkages with other organisations, including international NGOs.



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