
Basic concept of Cash Programming and Potential for Somalia shelter cluster

19 December, 2013
Sustainable Shelter Solutions WG

Why CASH??

- **More agencies are using**
 - best practices, lesson-learnt, growing recognition
 - + Donor support (ECHO, USAID,,,,)
- **Just a TOOL to achieve project objectives**
 - To be used when appropriate
 - Can be combined with in-kind, too
- **Humanitarian reasons**
- **Pragmatic reasons**

[Humanitarian reasons]

- **Dignity**
- **Flexibility** and **choice**
- **Power transfer**
- **Active participation**

[Pragmatic reasons]

- **Cost efficiency** for agencies and participants
- Support or revitalise **local trade** and **economic recovery**



Preconditions for Cash Programming

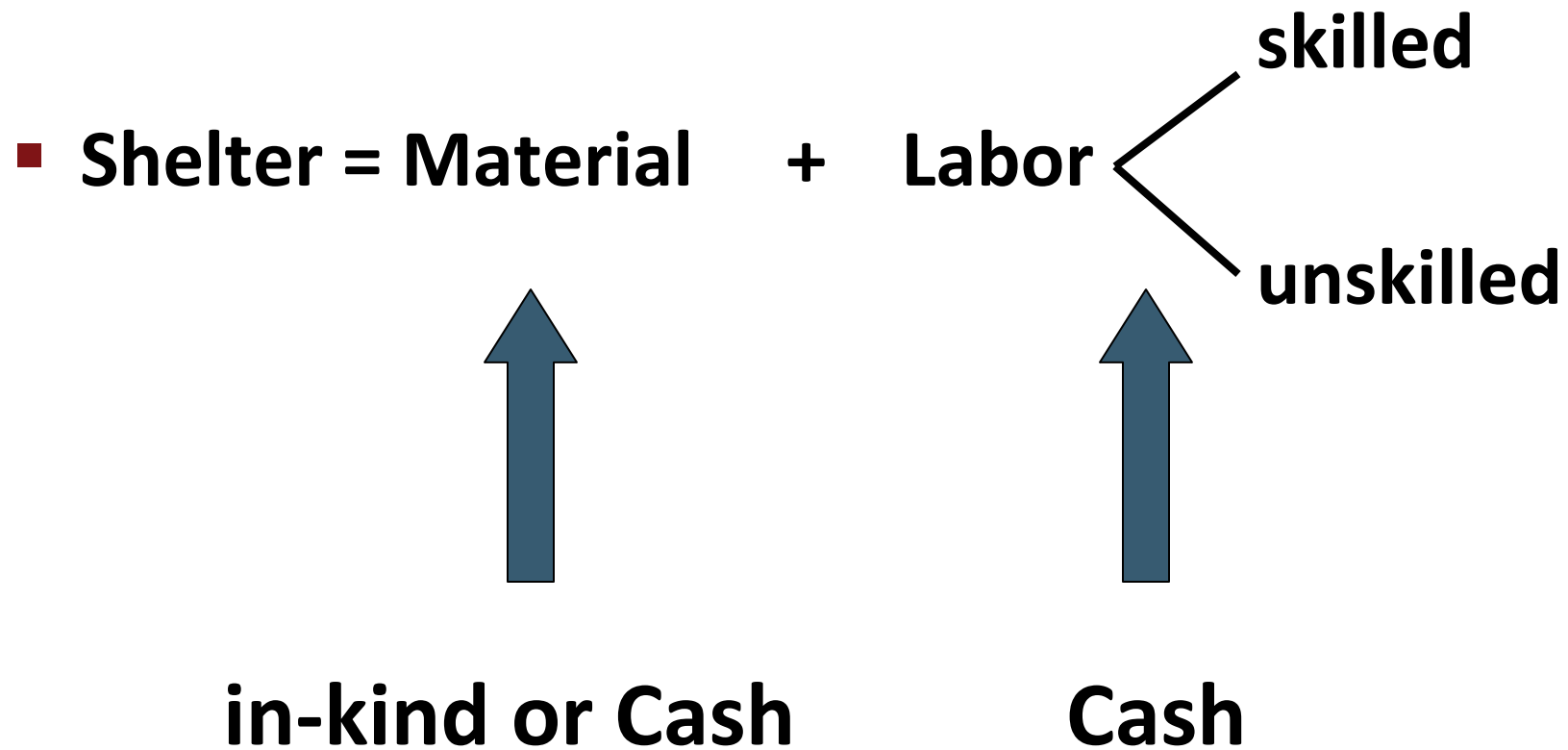
- Functioning markets
- Availability of products
- Cash based economy
- Physical access to markets
- Political acceptance
- Community agreement
- Reliable recipient identification system
- Trader willingness and capacity
- Reliable payment system

Type		in shelter context
CASH	Unconditional	Anything!
	Conditional	To buy shelter material + pay for labor To attend training
VOUCER	commodity	28 timber (4x2, white timber)
	cash	USD 50 for shelter material
Cash for Work		To repair community assets e.g. irrigation To collect stone, sand, soil..

Fear/risk/skepticism to Cash Program and how to mitigate

- **Inflation**
 - market assessment
(competitiveness, integrity)
 - price monitoring
- **Misuse**
 - targeting
(basic survival needs are met?)
 - monitoring
- **Quality control**
 - process monitoring
 - installment planning

Cash in shelter context



Example 1

- Chili, 2010, Red Cross
- Earthquake & tsunami
- 8400 HH
- To rebuild or repair homes/
To improve transitional shelters
- Debit card (USD 376) → material, tool
limited validity period
40 pre-selected hardware stores

Example 2

- Philippines, 2013, CRS
- Earthquake
- Market assessment (cost, availability, access)
- Cash (USD 760) → recovery shelter (18 sqm)
 - \$660 → material
 - \$100 → labor
- 5 days construction
- 2:6:2 installment → monitoring check list



Example 3

- Afghanistan, 2012
- Recent refugee-returnee, IDP, host families
- Cash transfer (4 installments)
- Grouping 4 to 5 HH (← control speed)
- Design/size by benef, with technical advice from agency (in Kabul, land/plot size varies)
- Agency: timber, tools
- Benef: lintel, roofing material, door, windows, latrine slab

Advantages of Cash + shelter



- Flexibility & Choice in Design & Material
→ can meet families' diverse needs
- Contractor driven << Owner driven
benefit larger companies < local market
- Promote skills development within communities

(from Adeso "Cash-based Responses Sector Based Guideline" p.60)

In Somalia shelter context...

- “Material may not be in market!”
 - > that's why Market Assess is necessary
 - > in non-emergency context, Somali merchants/vendors will manage to supply items
 - > local materials, local designs

In Somalia shelter context...

- “Might end up in wrong hand!!”
“Benef will **misuse!**”

-> that's why proper TARGETING is necessary
-> also, proper MONITORING
-> It is not only in Cash Programming,
same problem is seen even in In-Kind.

In Somalia shelter context...

- “Resistance from local economy (contractors) and politics....!”

-> NGO staff need to change mind-set, and convince local contractors/ authorities.

-> Cash program does not necessarily neglect contractors. They can be hired as skilled labor. Also, material can be bought from them.

In Somalia shelter context...

- “Benef might **be cheated** by traders!”
 - > Agreement with traders to be specifically and well understood by them.
 - > Training for community/ beneficiary is necessary.
 - > Set a proper complain mechanism/
Monitoring to respond quickly.

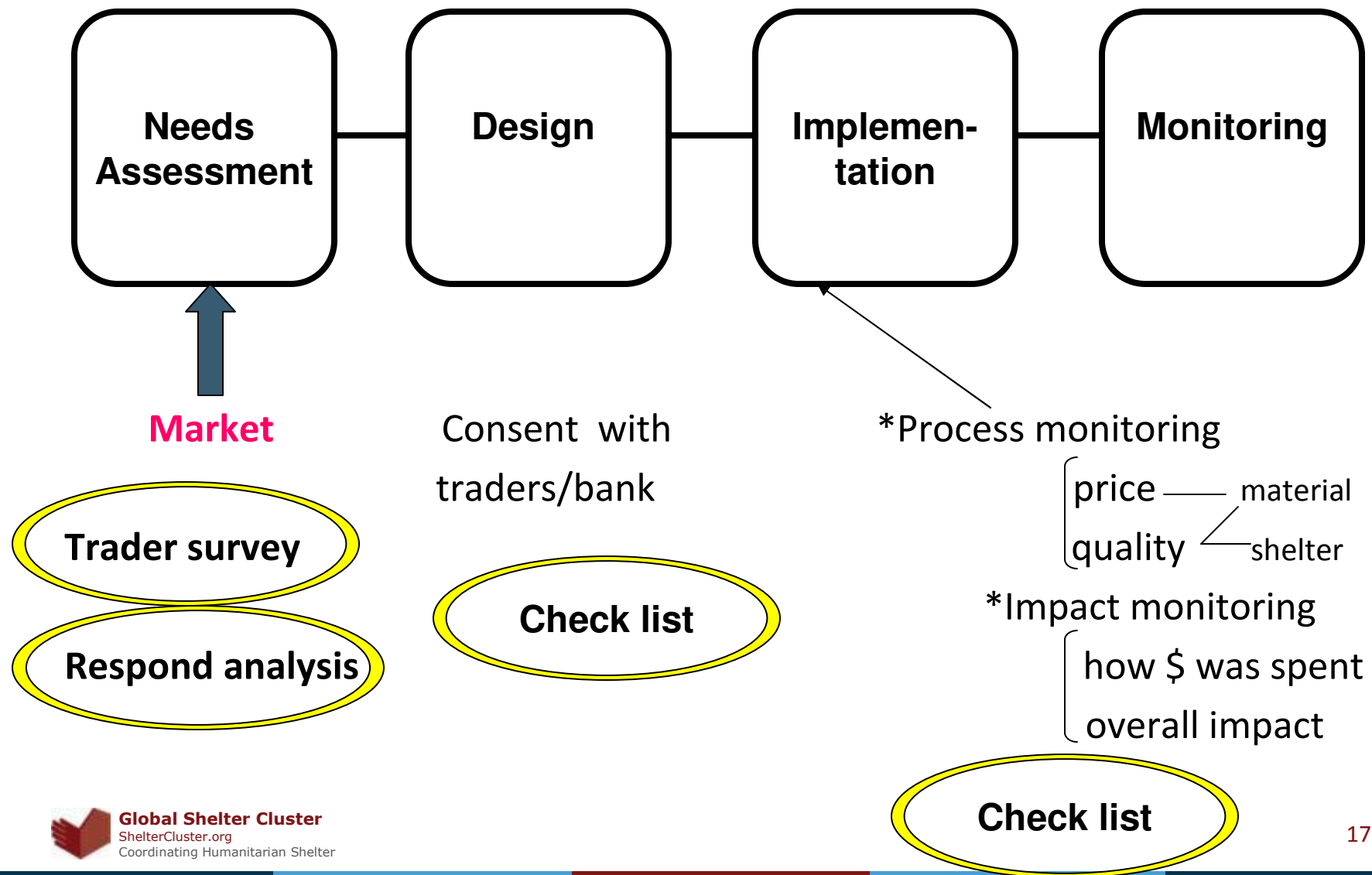
In Somalia shelter context...

- “Land tenure problem will be an obstacle for owner driven approach!”

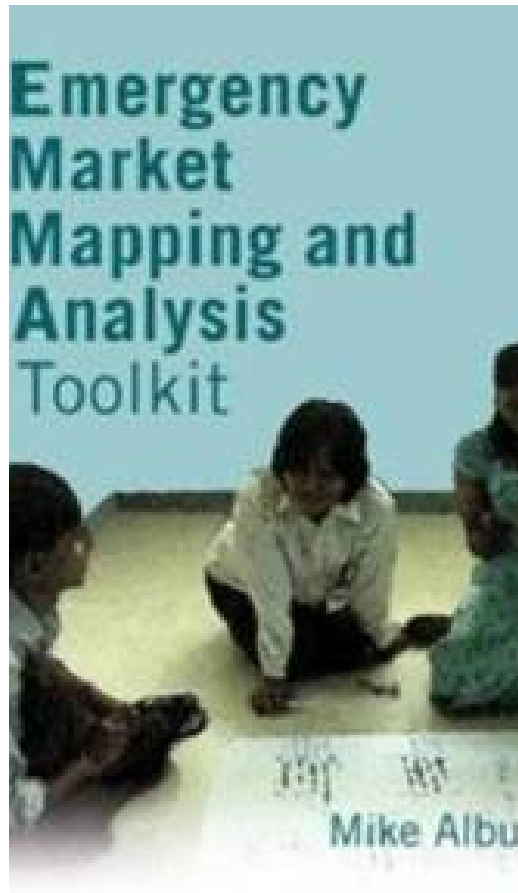
-> There are many example of temporary/
transitional shelter with Cash Programming.

-> might be a good idea to start with Labor
aspect of
project (combination approach of in-kind)

PCM for Cash+Shelter



Tool 1: Market Assess



- **Trader Survey** (2-pager)
+ Household survey
- Market Information and Food Insecurity Response Analysis (MFIRA)
- Emergency Market Mapping Analysis (EMMA)

Tool 2: Response Analysis

Selection factors	Weight (0 to 3)	Response modality (score: from 0 to 5)		
		In-Kind	Voucher	Cash
Market				
Benef preference				
Timeliness				
Gov't				
Cost efficiency				
TOTAL				



Tool 3: Check List (trader)



Agreements with Traders should include:

- Period covered
- Any restriction on commodities to be exchanged
- ID requirements for beneficiaries
- Validity date for acceptance of vouchers
- Agreed quality and quantity of commodities
- Complaints mechanisms / Monitoring of the trader
- Reimbursement mechanisms timeframe
- Distribution timetable



Tool 3: Check List (bank)



Agreements with FSP should specify:

- Partner's obligation
- Contracting agency's obligation
- Transaction and/or purchase costs
- Transfer, Repayment and Reporting requirements
- Delivery mechanism(s)
- Supply agreed commodities
- General terms and conditions

Tool 4: Examples of **CASH** indicators(1)

- Number of beneficiaries receiving cash transfers/planned
- Total amount of cash transferred to beneficiaries versus planned
- Banks or direct payments made on time / according to schedule
- Availability of items in the markets
- Changes in market prices of key commodities

Tool 4: Examples of **CASH** indicators(2)

- Beneficiaries' use of cash
- Numbers and types of complaints received
- Do cash / vouchers beneficiaries face logistical constraints or hidden costs?
- Are there any security incidents?
- Are beneficiaries satisfied with process and implementation methods?

Tool 4: Examples of **Voucher** indicators(1)

- Number of beneficiaries receiving vouchers by sex and age versus planned (%)
- Number of vouchers distributed versus planned
- Number of vouchers redeemed versus received
- Are shops respecting quality and safety standards in the contract?
- Are vouchers sold or exchanged for unauthorised items?



Tool 4: Examples of **Voucher** indicators(2)

- Do shops display price list as required?
- Do shops charge beneficiaries extra fees or offer to purchase vouchers?
- Do commodities price differs between partner and non-partner shops/traders?
- Are all commodities available at all time in partner shops?
- Do shops treat voucher customers differently, e.g. give low quality items?



Tool 4: Examples of **Cash for Work** indicators

- Number and quality of projects completed
- Number and type of direct/indirect beneficiaries
- Number of trainings, number of working days
- Payments regular, timely and appropriate
- Households use of the cash earned
- Impact on family relations, gender roles ..
- Beneficiaries satisfaction with the selected projects...

Thanks to

