



Maria Janice Boholst and other volunteers register beneficiaries to receive a CRS emergency shelter at a distribution site in the village of Esperanza, outside Ormoc City. *Photo by Jim Stipe/CRS*

# Philippines

## PROJECT DAIJOK (“HELPING EACH OTHER”) 7.2 MAGNITUDE EARTHQUAKE

<b>Location:</b>	Bohol
<b>Disaster/conflict date:</b>	October 15, 2013
<b>Project timescale:</b>	December 2013 – June 2014 (7 months)
<b>Houses damaged:</b>	79,200
<b>Affected population:</b>	272,000 people displaced from homes, 198 fatalities
<b>Target population:</b>	873 households in 61 <i>barangays</i> (villages)
<b>Modality:</b>	Bank transfer (installments) with technical assistance
<b>Material cost per shelter:</b>	US\$590 or US\$691
<b>Project budget:</b>	US\$444,400



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## RESPONSE ANALYSIS

After a major earthquake in the Philippines in October 2013, Catholic Relief Services reached 5,000 families with emergency shelter materials, water and hygiene kits, and emergency latrines. In November 2013, CRS staff conducted a housing and market assessment in three of the worst-hit municipalities of Bohol province: Antequera, Inabanga and Sagbayan.

Based on identified needs and the local market context—as well as feasibility, protection and security, and beneficiary preferences—CRS chose a cash-based response.

### Shelter needs

Many families in these three municipalities lived in makeshift tents and tarpaulin shelters because their homes were destroyed or because they feared another earthquake; 80 percent of houses were unsafe to live in and 63 percent were completely destroyed. Many affected people were rebuilding and repairing their homes, whereas others had plans to build new homes but lacked money for materials.

Before the earthquake, construction of buildings in the municipalities varied; over half were made of concrete and others used various light materials such as coconut timber. Few affected people intended to rebuild their homes using the same design, wanting instead to adopt stronger and more resilient construction techniques. Households intended to salvage materials from damaged homes and buy the remainder locally. The majority of households planned to hire labor for construction, but the availability of labor was a concern.

## PROGRAM STRATEGY

CRS chose to provide cash grants to affected families because their needs for shelter were diverse and numerous, and because markets in the area were functioning well. Cash grants offered the most flexibility and allowed people the freedom to buy the materials needed to build back on site based on what was salvageable from their damaged homes. This approach aimed to help families rebuild quickly and strengthen the local economy.

In the early stages of the response, before the implementation of cash support, CRS provided basic building materials to support people who were already rebuilding and repairing their own homes. This support included tools such as hammers, nails and saws; advice on how to build back safer; and helping beneficiaries salvage wood that they could reuse in construction.

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# 63%

OF HOUSES WERE  
COMPLETELY DESTROYED

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### Market context

Vendors of building supplies in the area reported increased sales of items such as nails, plywood, galvanized iron sheets and tarpaulins, but they reported an overall decline in bulk purchases. Earthquake damage to stores had limited the amount of stock vendors could keep, so they were stocking items they knew they could sell. The sources of supplies had not changed but speed and capacity had—restocking could occur anywhere from three days to two weeks, depending on the size and location of the vendor. Earthquake damage had caused an increase in transport costs, but there was no other inflation due to a strict Department of Trade and Industry mandate that regulates fluctuations of prices in times of emergency. Some ports temporarily slowed down following Typhoon Haiyan on November 8, 2013, but they quickly returned to normal. Large vendors have backup supplies in other parts of the country should shipping be disturbed in the future.

First Consolidated Bank (FCB), a thrift bank, was identified as the financial institution with the largest presence in all three municipalities (22 branches), though many potential beneficiaries reported not having any sort of bank account.

The program provided technical assistance to beneficiaries to ensure that transitional shelter designs were compliant with the [Humanitarian Charter and Minimum Standards in Humanitarian Response](#), commonly known as The Sphere Handbook:

- **Safe:** Resilient to multiple disasters including earthquakes, typhoons and landslides.
- **Adequate:** With good ventilation and drainage, of a good size and gender-sensitive with appropriate privacy.
- **Durable:** Materials are strong and durable enough to last 18 to 24 months.

Families were encouraged to work together and complete homes as a group, using shared resources and labor.

## Program goal and objectives

Vulnerable earthquake-affected households live in repaired or reconstructed safe, adequate and durable homes:

- Targeted households construct or repair shelters with cash and salvageable materials.
- Targeted households adopt improved shelter construction techniques.

## PLANNING AND IMPLEMENTATION

### Partnership

CRS partnered with local government units, or LGUs, and local leaders to respond to the emergency, in particular the Dioceses of Tagbilaran and Talibon, which provided additional labor and covered labor costs. CRS also collaborated with First Consolidated Bank, which provided greater access to cash and financial services to CRS beneficiaries.

### Beneficiary selection

CRS coordinated with LGUs and *barangay* (village) officials to compile a list of beneficiary households that would receive support. Community members nominated beneficiaries according to agreed-upon criteria, which included coping capacity and vulnerability. Households chosen were living in makeshift tents or evacuation camps as their homes were not safely habitable, and they did not otherwise have the means to repair their shelters. CRS and the local government then assessed houses individually for damage and posted the list of validated households in each community for two days to allow time for feedback via the CRS hotline.

### Value of cash grant

CRS engineers calculated the cost of an 18m<sup>2</sup> shelter based on designs used in previous CRS shelter programs, including materials and labor. The intention was for each cash grant to cover 70 percent of the cost of rebuilding or repairing a shelter, with the remainder contributed by the beneficiary or salvaged from the old shelter. Each beneficiary household with up to six members received a cash grant amounting to US\$590 (27,000 PHP) to build an 18m<sup>2</sup> shelter. Households with seven or more members received a cash grant of US\$691 (32,000 PHP) to construct a 24m<sup>2</sup> shelter. In all, 671 households received US\$590 and 199 households received US\$691.

Cash disbursement occurred in two installments. Households received the first installment of US\$328 (15,000 PHP) following an initial orientation on recommended disaster-resilient shelter design. Households were also required to gather the material required to start construction of the basic structure. Once CRS shelter engineers confirmed that families had completed the shelter framing, they were eligible to receive the second installment of US\$262 (12,000 PHP).

### Cash distribution

FCB distributed the cash using various services—including ATMs and direct over-the-counter payments—to beneficiaries in any of its 22 operational branches within the province of Bohol. Most CRS beneficiaries used the FCB debit card called PITAKard, which did not require an opening balance and also bore interest. CRS staff helped beneficiaries to open their FCB accounts and obtain their PITAKard.

### Technical assistance

CRS conducted a technical orientation during pre-construction meetings with beneficiaries to ensure that shelters were compliant with Sphere standards and constructed in a safe, adequate and durable manner. Households received information, education and communication materials illustrating recommended practices, and CRS engineers trained local engineers by constructing model houses according to the recommended disaster-resilient techniques using locally available materials.

### Protection and security

CRS established an anonymous feedback hotline—operated by monitoring and evaluation staff to ensure the recording of issues without bias—for beneficiaries, and publicized it widely in the community throughout the program. Staff forwarded issues raised to area coordinators and the head of office for resolution. Suggestion boxes were also available during project staff visits to the target communities, so those without access to a mobile phone could provide feedback.

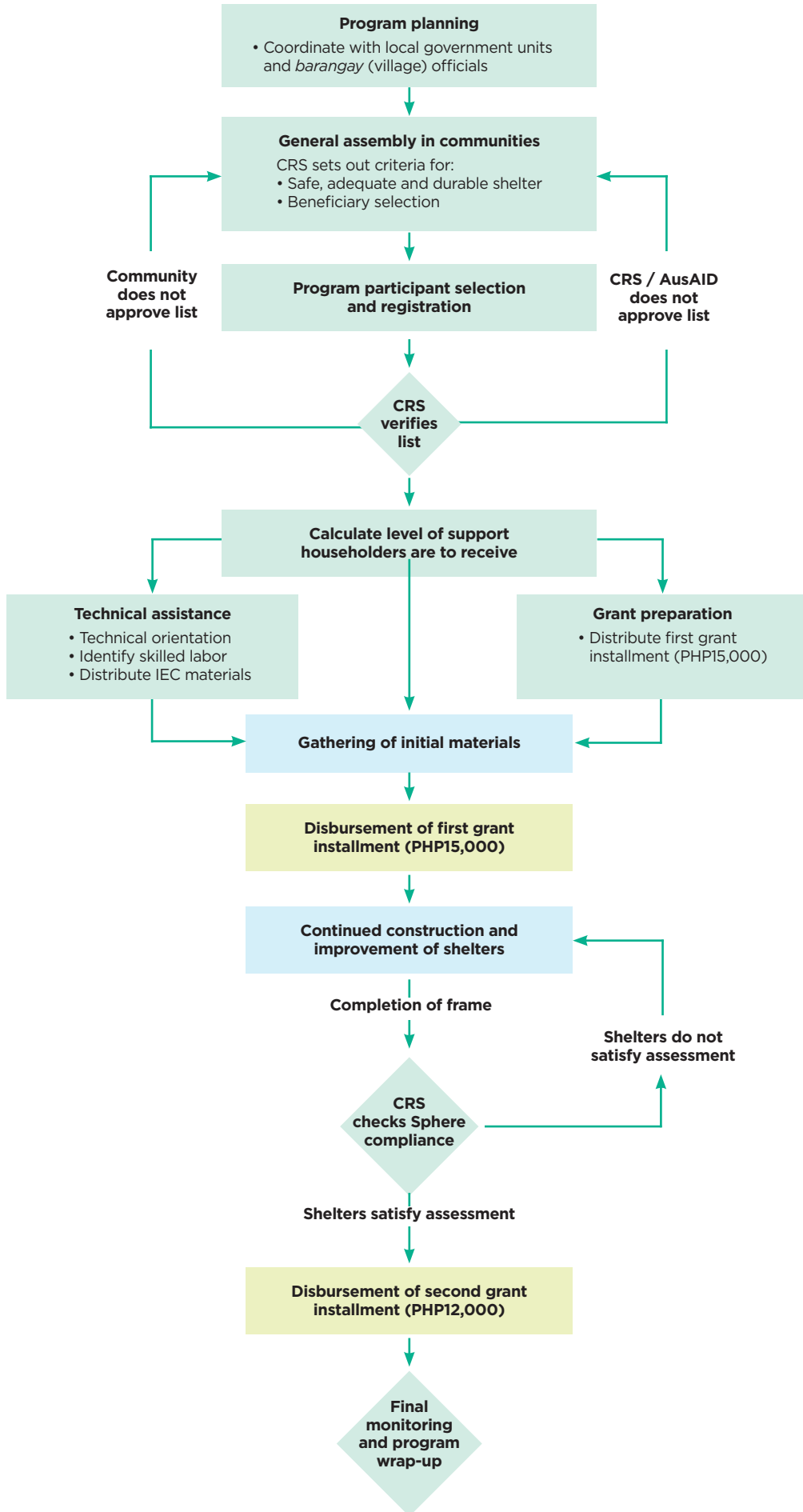
Risk of theft and diversion were low in the Bohol context as most beneficiaries went to FCB branches to withdraw their installments, reducing the risk of distributing cash by hand.

### Information and Communications Technology

CRS used information and communications technology, such as iPad mini devices and iForms software to collect and manage registration and project monitoring data. The use of this technology made it easier to communicate with team members and helped ensure that CRS analyzed data accurately to measure progress in reaching the program objective.

## Process

The chart below illustrates the process of implementation.



## MONITORING AND EVALUATION

In addition to the accountability mechanisms described earlier, CRS monitored the program as follows:

- CRS staff monitored the construction progress based on Sphere standards and resilience to disasters including earthquakes, typhoons and landslides.
- Beneficiaries who did not meet progress targets experienced a delay in, or cancellation of, the second installment of the disbursement; this occurred in 2 percent of cases.
- Between July 24 and 29, 2014, CRS randomly selected and surveyed 130 household beneficiaries from all target municipalities on whether their shelters met the “safe, adequate and durable” criteria. The project also evaluated the usefulness, timeliness and quality of the shelter support that beneficiaries received. Upon review of the data, CRS determined there was no need for any program changes; the results of this survey are below.

## RESULTS

### Beneficiaries used cash grants as anticipated.

Beneficiaries overwhelmingly used cash grants as anticipated—98 percent of families reconstructed or repaired their shelters with cash and salvageable materials according to the Sphere standards.

### Shelters were safe and durable.

All (100 percent) households said their shelter was durable, and 99 percent reported that they felt safe in their new shelter.

### Beneficiaries were satisfied with the support.

Almost all (98 percent) households reported that the shelter support they received was useful; 96 percent that it was of good quality and 85 percent that

the shelter size was adequate for their family. Most respondents (82 percent) said shelter assistance was timely, as CRS assistance arrived before other organizations were active in their community.

### Households adopted improved techniques.

The majority of respondents reported that they were not aware of earthquake-resistant construction techniques before the earthquake and learned about them through assistance provided by CRS. Almost all (98 percent) households repaired or rebuilt their homes using techniques promoted by the project engineers or the information, education and communication materials.

## ADVANTAGES AND CHALLENGES

Advantages	Challenges and risks	Actions and recommendations
Cash grants were quicker to disburse than materials for construction.	There was potential for the misuse of cash by people involved in the program.	CRS disbursed cash after beneficiaries had started the construction process, showing willingness to use cash to construct the shelter. CRS distributed the second installment upon completion of the shelter frame.
	Cash grants do not ensure high-quality construction.	CRS provided technical assistance and on-site monitoring alongside cash support. This, along with the installment system, enabled all construction and repairs to meet Sphere standards.
	Risk of corruption, such as committee getting money from beneficiaries.	Committee members signed a contract as volunteers showing their scope of work. Though relying on the cooperative nature of the beneficiaries, the CRS team provided regular visits to communities constantly reminding them of the project timeline and the importance of teamwork.

Advantages	Challenges and risks	Actions and recommendations
Distributing money via bank transfer with FCB was more secure than distributing cash directly.	The method of cash transfer through banks may not have been usable by all beneficiaries (not everyone had a bank account).	CRS staff helped beneficiaries set up PITAKard accounts. CRS established strong relationships with the bank's leaders, resulting in smooth disbursement of installments.
	The locations for distributing and collecting cash must be accessible by beneficiaries.	FCB was the financial institution with the largest presence across all three municipalities, with 22 branches.
Working at a community level to coordinate with LGUs, <i>barangay</i> officials and community members was largely successful.	CRS had difficulty identifying beneficiaries as the master lists coming from LGUs and <i>barangay</i> officials were incomplete and not thoroughly assessed.	CRS conducted house-to-house validation of every household nominated in the community meeting to ensure proper screening before finalizing the list of beneficiaries.
The cash grant program had a positive impact on the local economy.	There was a risk of inflation due to a potential lack of availability and transport of materials.	A strict mandate from the Department of Trade and Industry prevents inflation in times of emergency. Also, CRS' initial market assessments found there was sufficient supplies and vendor capacity.
	Availability of hired labor.	Beneficiaries were encouraged to construct homes in groups and share resources and labor.

## WHAT WE LEARNED

**Bank transfers are more secure than the disbursing of cash.** Using bank transfers is more secure than disbursing cash, but some beneficiaries may need to set up bank accounts, which could delay disbursements.

**Targeting must begin early in the program.** It is crucial to ensure a clear and thorough process to identify beneficiaries at the outset of the program. Partners who screen beneficiaries should be able to provide a complete and proper assessment.

**Market assessment and monitoring helps to ensure proper functioning.** Clear market assessments help identify the capacities of local vendors. Monitoring of markets is required to ensure that markets maintain their ability to respond to demand.

**Good IEC materials and proper technical assistance is key for quality programming.** CRS invested in regular technical assistance and strong communication so that people had good access to information and assistance for quality construction.

# Conclusions

These eight case studies are a snapshot of programs in which CRS used a market-based approach to achieve shelter outcomes. In six of the countries highlighted, CRS used cash as a preferred modality. However, the series includes one example where CRS chose not to use cash to meet shelter objectives (Malawi), and one in which a mixed modality was chosen (eastern DRC); in these cases, assessments indicated a lack of market functionality, market inaccessibility, or beneficiary and community preferences that favored in-kind distribution. In several cases, CRS chose to also invest in supporting local service providers in other ways, such as trainings to local contractors or laborers.

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**These case studies tell a story of the value of enabling people to choose the shelter materials and services most relevant for them.**  
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Together, these case studies tell a story of the value of enabling people to choose the shelter materials and services most relevant for them. This in turn engages their local market systems rather than creating parallel structures that can undermine existing systems. These studies also underline the importance of strong technical accompaniment and community buy-in and ownership, which were two critical success factors for meeting quality shelter objectives across the programs. Creative approaches that reflect the increasing relevance of cash combined with technical assistance can enable people to build, rebuild or rent safe, adequate and durable houses that “don’t look like aid”, but reflect the needs and tastes of their owners.

## Risks and how we overcame them

Cash is still a relatively new form of assistance for shelter programs. The following table lists risks and challenges common to the eight cases, along with the solutions CRS staff and partners used to overcome or mitigate these risks.

Risks / Challenges	Solutions / Mitigation measures
<i>Risk: Markets are unable to meet demand for shelter supplies and services.</i>	
Supply ruptures or inflation.	Conduct an initial assessment of key shelter materials; continue to monitor prices in these markets. [All programs]
Vendors are unable to procure acceptable quality items or have an insufficient supply of high-demand items.	Conduct market assessment (including vendor survey) to ensure vendors are prepared. [All programs]  Support vendors with grants or loans to increase their stocks of high-demand shelter items.
<i>Risk: Beneficiaries do not use cash grants for their shelters.</i>	
Potential for the “misuse” of cash by people involved in the program.	Ensure that needs assessments enable a clear understanding of what people would buy if given cash. A separate program might need to be set up to respond to varied needs. Alternatively, cash grant amounts could be set higher to enable people to spend grants on multiple needs.  In West Sumatra, quality needs assessments identified that people would spend cash on shelter.  Distribute follow-on installments upon completion of certain shelter milestones, according to specifications.  Where beneficiaries have already started the construction or reconstruction process, their willingness to repair shelters using their own resources is demonstrated; thus, an injection of cash has a low risk of misuse. [Bohol]  Where beneficiaries have a wide variety of needs, such as IDPs in eastern Ukraine during winter months, CRS should not expect that unrestricted cash will be used exclusively for shelter or NFIs.

Risks / Challenges	Solutions / Mitigation measures
Potential that people's needs will change rapidly in volatile contexts.	Design the value of the cash grant to ensure that people can also meet basic lifesaving needs. [Serbia]
A fluctuating exchange rate will diminish the purchasing power of fixed cash grants.	Track exchange rates and remain flexible to increasing cash grant amounts.  In Serbia, the devaluation of the dinar led to changes in the value of the cash grant. The effect was negligible because the project was short, but this should be tracked. [Serbia; eastern Ukraine]
<i>Risk: People's shelters will not meet Sphere standards or local building codes.</i>	
Cash grants do not ensure high-quality construction.	Provide technical assistance and on-site monitoring alongside cash support.  Along with the "tranche" or installment system, construction and repairs can meet Sphere standards. [Bohol]
<i>Risk: Transporting and delivering cash creates a protection or security risk.</i>	
Due to security and logistical constraints, it is not always feasible and safe to transport cash to pay vendors directly.	Where possible, use local third-party cash delivery options (microfinance institutions, remittance agencies, local banks), electronic or mobile transfers. [DRC]
Providing cash grants to women might cause intra-household tension.	Include this issue in needs assessments and market assessments, as it is very context-specific.  In Ukraine, 1 percent of households reported that receiving cash grants led to conflict within their households, and less than 1 percent reported that receiving cash grants led to conflict in the communities where they resettled.
<i>Risk: Beneficiary selection is more difficult, because everybody wants cash.</i>	
Beneficiary selection will be skewed by corruption, since cash is more valued than in-kind aid.	Ensure the participation of local civil society, government, or other community groups as appropriate.  In Serbia, where local authorities were in favor of blanket assistance, CRS and local committees persisted in implementing beneficiary selection criteria that was transparent and just.

## Lessons learned from the eight case studies

As the humanitarian community moves forward with cash-based assistance for shelter, the following lessons learned can be gleaned from CRS experience to date:

**Cash-based assistance provides people with choice.** In every cash-based program, project participants noted that cash enabled them to choose what materials and services were most important for their own shelters.

**Local markets can benefit from cash-based shelter programs.** In West Sumatra, more than US\$3 million was injected into the local economy. More than 73 percent of the project budget for transitional shelter was spent in the affected local economy.

**When a tranche system is used, beneficiaries use cash grants as anticipated.** Beneficiaries overwhelmingly used cash grants as anticipated. In Bohol, Philippines, 98 percent of families reconstructed or repaired their shelters with cash and salvageable materials according to the Sphere standards.

**When accompanied by technical assistance, onsite monitoring, and IEC, households can construct Sphere-compliant shelters that are safe, adequate, and durable.** In Bohol, 100 percent of households said their shelter was durable, and 99 percent reported that they felt safe in their new shelter. Almost all (98 percent) households repaired or rebuilt their homes using techniques promoted by the project engineers or information, education and communication materials.

**Cash grants can be quicker to disburse than materials for construction.** In West Sumatra, cash grant start-up was significantly faster than setting up a pipeline for in-kind distribution, which was an important factor in that response.



**Good assessment and monitoring of shelter materials markets helps to ensure continued market function without price fluctuations.** Clear market assessments help identify the capacities of local vendors of shelter materials. Monitoring of markets is important to ensure that markets maintain their ability to respond to new demand.

**Markets for shelter goods and services must be nearby, safe and accessible.** For a cash program to be successful, people must feel safe and be able to access goods and services safely. This was the case in all CRS cash-based programs. Most (66 percent) beneficiaries walked less than 5 km to reach the site in the DRC.

**Cash may not always be the best response option.** Market and needs assessments are important for establishing the most relevant modality for support. Beneficiaries' preferences for assistance are critical. Direct distribution is relevant for households in areas where markets are not functioning, where markets are very distant or unsafe, or where beneficiary and community dynamics indicate a preference for in-kind distribution. In other cases, a combination of modalities may be the most appropriate. In cases where in-kind aid is used, efforts should be made to procure materials locally, and provide a diversity or choice of materials.

In Malawi, direct distribution was chosen, given the distance to markets, timing of implementation and household requests for the same commodities. In the DRC, CRS conducted direct distributions in four villages of NFI and hygiene kits, because of armed conflict in the area.

**Community involvement is critical to success.** The success of the project, from beneficiary selection through implementation of quality shelters, depends on the active involvement of community groups and the implementation of traditional skills and knowledge. In Malawi, this was critical, as local skills ensured the use of techniques that were an affordable, effective means of coping with rains and floods.