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CASH FOR SHELTER IN KENYA A FIELD EXPERIENCE

Providing Safe Homes to Refugees and
Supporting Local Markets



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SUMMARY

In north-western Kenya, UNHCR provides 730 refugee households with cash for shelter to ensure **safe and dignified housing while reducing dependency on humanitarian assistance and addressing protection concerns**. The project provides value for money as refugees build the permanent shelters at 11-14 per cent lower costs than the implementing partners. The refugees also build a compound of shelters consisting of 12 to 14 shelters in an average of 22 days. This **efficient and effective use of funds** allows refugees to spend the remaining money on home improvements or other basic needs, **benefitting the local economy and improving social coexistence**.

In line with the Policy on Cash-based Interventions, it is the most ambitious cash for shelter project to date by UNHCR, the UN Refugee Agency. It targets refugees living in the newly established Kalobeyei¹ settlement in Turkana County, 18 kilometres from the Kakuma town.

¹ In 2015, the Turkana County Government, at the request of the Government of Kenya, allocated a site near the Kalobeyei Township for the development of the Kalobeyei Integrated Social and Economic Development Programme, a multi-agency collaboration to develop the local economy and service delivery at Kalobeyei. Representing a major paradigm shift, the overall objective is to re-orient the refugee assistance programme to contribute to the improvement of the socio-economic conditions of the refugees and host communities, better prepare the host community to take advantage of emerging economic opportunities, reduce over-dependence on humanitarian aid and support the refugees to achieve durable solutions. In line with the Kalobeyei vision, UNHCR committed to use cash assistance when implementing the permanent shelter project for the refugees.

Refugees receive the cash through regular bank accounts, **furthering their financial inclusion** with access to banking services. The project is based on an innovative approach that gives ownership of the construction process to individual refugee households, which closely collaborate with their compound neighbours. It relies on **mutual support and accountability** for the timely completion of the building phases, as funds disbursed in three instalments are only released when all households have simultaneously completed each of the building phases.

The project also **empowers** refugees to deal directly with private sector providers such as masons and suppliers of building materials, and pay for the goods and services, contributing to the local economy. **Biometric identification** during the verification process and the opening of bank accounts **reduces fraud and improves transparency**.

The cash for shelter project in Kalobeyei highlights how UNHCR uses cash assistance to help the refugees to transition to more **durable solutions**, in this case, integration with the host community. The project presents a **paradigm shift** from the traditional refugee camp planning process.

CASH FOR SHELTER IN NUMBERS

- **Refugees to be reached by cash for shelter by end of December 2018:** 832 households, 1200* shelter units
- **Cash assistance transfers by 30 November 2018:** US\$ 1,165,581
- **Planned cash for shelter transfers by the end of 2018:** US\$ 1,669,457
- **Efficiency:** Refugees build the permanent shelters at 11-14 % lower costs than the implementing partners

* The reason for having more shelters than households is due to family size and protection considerations.






REFUGEE OWNERSHIP

By using cash, UNHCR puts the refugees at the centre of the shelter project. Instead of having an implementing partner in charge of building the permanent shelters, refugee households manage the process of converting their temporary shelters into permanent housing in compliance with construction standards developed by UNHCR shelter experts.

Refugees receive from UNHCR unrestricted cash grants for building materials and labour, as well as water due to scarcity in this arid region. The heads of household hire masons among the refugee and host communities. To obtain lower prices, the compound households jointly purchase the construction materials in bulk from local suppliers. Refugee families also benefit from regular technical supervision and monitoring of the construction work by UNHCR shelter experts.






MAIN COMPONENTS OF THE PROJECT

-  CASH for labour and material
-  WATER
-  UNHCR technical supervision and monitoring

FINANCIAL INCLUSION

Financial inclusion of the refugees is a direct result of the project as they are provided with a bank account, a debit card and mobile phone banking with which they can pay the suppliers of building materials as well as transfer or withdraw cash to pay the masons. They also have access to other banking services such as loans.

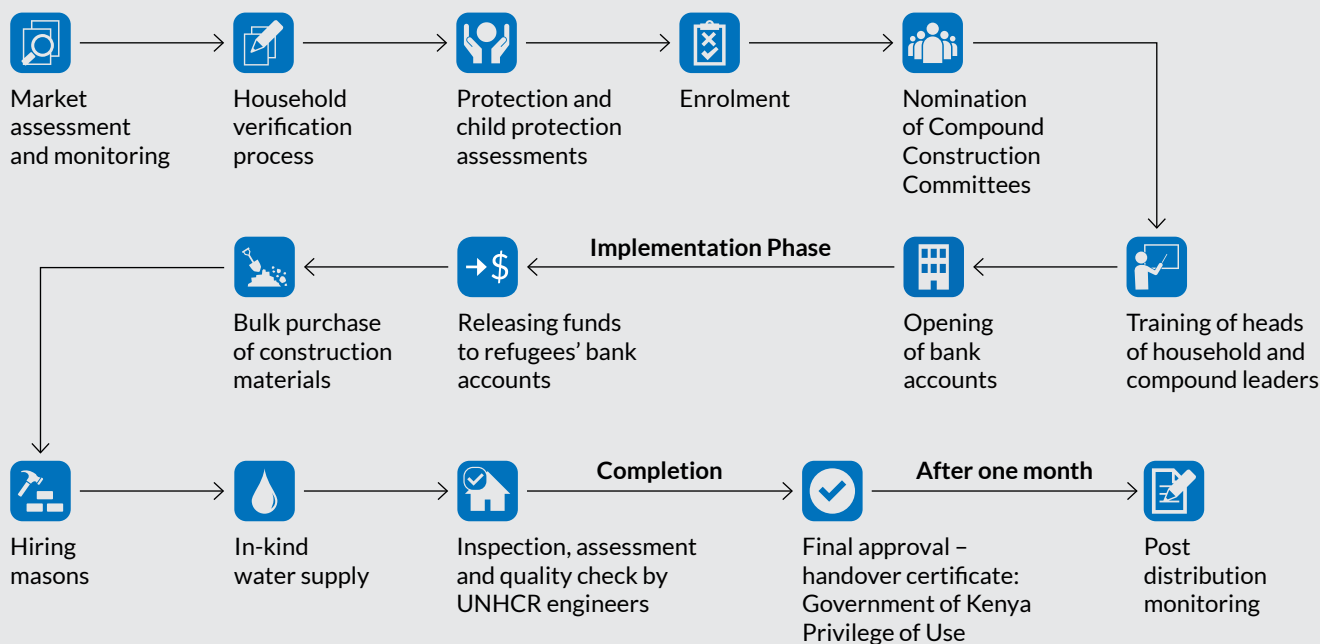
FINANCIAL INCLUSION

-  Bank account
-  Debit card
-  Mobile phone transfers
-  Access to banking services
-  22% of Equity Bank micro loans in Kakuma²/Kalobeyei are now given to refugees

The banking platform is made **available to all UN and NGO partners**, so that they can channel cash assistance to refugees using the UNHCR procured debit card at a minimal overhead.

² <http://www.unhcr.org/news/latest/2018/5/5aeb1c264/study-finds-refugee-businesses-play-vital-role-local-economy.html>

THE PROCESS



One of the key elements of the success of this project is management support and the strength of UNHCR's multi-functional team including such sectors as cash, field, protection and shelter.

MARKET ASSESSMENT AND MONITORING

- ✓ Conducted before and during the implementation of the project to monitor the price and availability of construction materials.

HOUSEHOLD VERIFICATION PROCESS

- ✓ Door-to-door verification of refugee households living in the targeted neighbourhood.
- ✓ Identification of protection issues that need follow up (i.e. child-headed household or large family size).
- ✓ Assessment of the temporary shelters to see which materials could be used or needed in the permanent shelter.

PROTECTION AND CHILD PROTECTION ASSESSMENTS

The Protection and Child Protection assessments may come up with the following recommendations:

- ✓ Recommendation to build a double shelter or two separate shelters in case of large size families.
- ✓ Designation of the person to open the bank account on behalf of child-headed households.

ENROLMENT

- ✓ Verification of refugees against the UNHCR database using **the Biometric Identity Management System (BIMS)**.

➡ Refugees pay the suppliers of construction materials with debit cards and PIN codes through a mobile point of sale. They can authorize the transactions using both the PIN or biometrics. This way they do not have to carry cash and can feel safer when making payments, in addition to preventing fraud.

COMPOUND CONSTRUCTION COMMITTEES

- ✓ Nomination of Compound Construction Committees (CCCs) by the refugees, formed on a voluntarily basis at the beginning of the project.
- ✓ CCCs are composed by a chairman, a chairwoman and a security focal person.

RESPONSIBILITIES OF THE COMPOUND CONSTRUCTION COMMITTEES

- Support the implementation of the cash for shelter project, ensuring that neighbours are keeping track of each other's progress to achieve the simultaneous completion of the building phases of the compound permanent shelters.
- Facilitate the joint bulk purchase and payment of construction materials by households, placing orders and calculating the individual shares.
- Ensure security of the construction materials purchased.
- Facilitate contracting labour for the construction of shelters.
- Manage the water resources provided by UNHCR.
- Facilitate monitoring visits and meetings by UNHCR and partners.
- Ensure and arrange accommodation for refugee families in makeshift shelters or hosted by relatives during the construction process in collaboration with neighbourhood leaders.
- Identify persons with specific needs and provide them with additional support.
- Share insight and advice regarding the implementation of the project.
- Support households from other compounds and share expertise and knowledge.



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TRAINING OF REFUGEES, COMPOUND LEADERS AND SUPPLIERS

- ✓ Training of the heads of household and the CCC members on the construction process including building phases, materials required, bulk ordering, paying with debit cards through a point of sale (PoS), contracting masons and understanding the role of UNHCR shelter officers.
- ✓ Training of refugees by the bank on the use of the debit cards for payment as well as safe custody of cards and PIN codes.
- ✓ Training of CCC leaders on how to place bulk orders and calculate individual shares.

OPENING OF BANK ACCOUNTS

- ✓ Equity Bank employees go from Kakuma to Kalobeyei with the accounts opened, request the heads of household's signature, collect biometrics and deliver the debit cards.
- ✓ Bank employees provide training on the use of PoS and card.
- ✓ UNHCR gives each household a leaflet on how to build a permanent shelter and on the materials needed on each phase for the masons.
- ✓ Refugees have access to Equitel, a mobile phone-based money transfer, as their mobile phone SIM cards are connected to their bank accounts. Some refugees use Equitel to pay the masons.



➦ *Ladu William is a 23-year-old pastor from South Sudan. He lives with his wife and baby, two sisters, one brother and three cousins. They used to live in a single transitional shelter. Due to the household size, they received funds to build a double shelter. Ladu was a member of the compound committee. As such he was in charge of supervising the construction work in the compound and managing the water resources. He says that he gained a lot from the experience. By receiving money to build the permanent shelter, he and his neighbours learnt how to bargain with traders and how to purchase materials for the house.*

IMPLEMENTATION

- ✓ UNHCR instructs the bank to release the first out of three cash grants to households.
- ✓ CCC facilitates the bulk purchase of building material needed for shelter foundation and calculates individual shares.
- ✓ Refugees hire host community and refugee masons as well as provide unskilled labour.
- ✓ UNHCR provides water in-kind due to scarcity in this very arid region.
- ✓ Ongoing support by UNHCR shelter experts is provided throughout the construction.
- ✓ After all households finish phase one, the quality assurance team of shelter engineers survey each house using the Kobo monitoring tool³.

- ✓ UNHCR shelter officers and one member of the CCC sign the quality assurance document.
- ✓ Upon approval, UNHCR provides the second cash grant.
- ✓ The same process happens until the final third stage.

COMPLETION

- ✓ When the completed buildings get the final approval, refugees receive a handover certificate granting them privilege of use by the Government of Kenya.

POST DISTRIBUTION MONITORING

- ✓ A month after completion of the project, UNHCR conducts a post distribution monitoring survey.

³ KoBo Toolbox, developed by the Harvard Humanitarian Initiative, is an open source suite of tools for data collection and analysis in humanitarian emergencies. UNHCR uses it to monitor field projects. <https://www.kobotoolbox.org>

PUBLIC PRIVATE PARTNERSHIP

The cash for shelter project in Kalobeyei is the result of a public private partnership. The Turkana County Government at the behest of the Government of Kenya provides the land; the Equity Bank, a Kenyan financial service provider, opens the refugee bank accounts and issues the debit cards while UNHCR provides the technical expertise and the funds for the project. The project presents a new approach from the traditional refugee camp planning process.

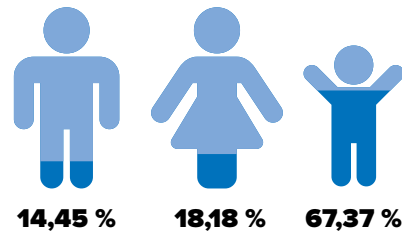
The initiative seeks to implement the Comprehensive Refugee Response Framework⁴ (CRRF) and the Global Compact on Refugees, endorsed by the UN General Assembly, which seek to enhance refugee self-reliance and ease pressure on host countries.

BENEFITS FOR

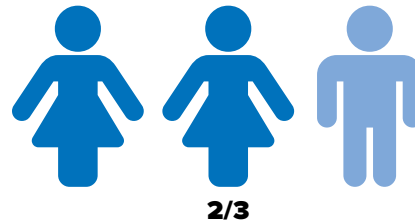
REFUGEES

- ✓ Increased sense of ownership and self-reliance.
- ✓ Safe and dignified shelter.
- ✓ Labour opportunities for refugee masons.
- ✓ Improved social cohesion as refugee households from different nationalities work together for the first time.
- ✓ Local integration, improving peaceful coexistence with host communities.
- ✓ Financial inclusion and literacy.
- ✓ Savings, used to improve shelter or cover basic needs, open the possibility for self-reliance and livelihood opportunities.
- ✓ Support to the local economy, resulting in protection dividends.

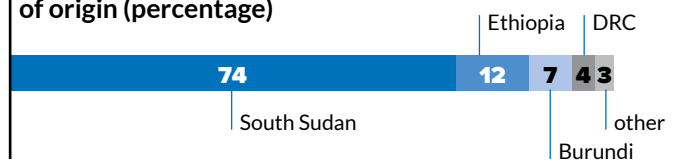
Refugee profile in Kalobeyei



Female-headed households



Refugees by country of origin (percentage)



HOST COMMUNITY

- ✓ Increased business for local suppliers.
- ✓ Faster circulation of money.
- ✓ Labour opportunities for masons.
- ✓ Improved refugee-host community relations.

DONORS

- ✓ Value for money.
- ✓ Improved efficiency and effectiveness.
- ✓ Biometric identification reduces fraud and improves transparency.
- ✓ Eases the burden of host countries.

⁴ For more details on the CRRF, please see: <http://www.unhcr.org/5a2eb12b7.pdf>

UNHCR

- ✓ Permanent shelters timely built according to UNHCR standards.
- ✓ More durable shelters.
- ✓ Enhanced refugee self-reliance.
- ✓ Improved social cohesion: households working together.
- ✓ Increased socio-economic conditions of the refugees and host communities.

VALUE FOR MONEY

Maximizing the impact of donor funds, the cash for shelter project provides **value for money**. When compared with the same type of shelter built by implementing partners, the refugee households who finished the first buildings were able to save on average 9000 Kenyan Shillings (about 90 US\$). This represents a saving of 11-14 per cent of the total cost.

Refugees manage to pay a lower price compared to the market price for some of the materials as they place bulk orders at compound level, as recommended by UNHCR.

Suppliers manage to lower the prices because they are paid immediately and do not have to buy on credit certain materials such as quarry stones.

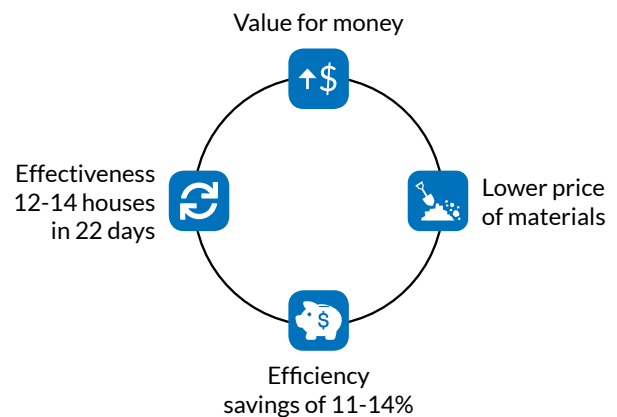
As a result of the **efficient use of funds**, refugee families are able to fund some home improvements, like laying cement floor, or use the remaining funds for other basic needs, benefitting local traders and improving social coexistence.

The project also brings improved **effectiveness**. The 12 to 14 permanent shelters that form a compound are completed by refugees in an average of 22 days, faster than similar compounds built by implementing partners.



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👤 Anne Tabatu is a 65-year-old refugee from the Democratic Republic of Congo. “I am very happy with my new house”, she says. “Before I was always worried that thieves could take my food ration and belongings”.



FOR MORE INFORMATION, PLEASE CONTACT:

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