

# CASH AND MARKET-BASED SHELTER PROGRAMMING IN THE DEMOCRATIC REPUBLIC OF CONGO

Guidelines for planning, designing and monitoring shelter construction programmes, which use cash and market-based approaches.

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# INTRODUCTION

## Context

As evidence of the benefits and opportunities of cash transfer programming in meeting humanitarian needs mounts and in light of the 2016 Grand Bargain commitments to increase the use and coordination of cash-based programming<sup>1</sup> there has been a recent push by humanitarian actors to expand their use of such programming wherever it is safe and feasible to do so.

In its 2016 position paper, the Global Shelter Cluster recognised that the sector has been relatively slow to take up the use of cash as a modality in humanitarian programmes<sup>2</sup>. In the DRC the Shelter Working Group is exploring how cash-based approaches can be adopted more widely, particularly to support the (re)construction and rehabilitation of houses, to improve access to housing and to increase the cost-effectiveness of shelter programming. However, one of the main barriers to adopting cash-based programming more widely is the lack of sector-specific tools and guidance<sup>3</sup>.

In a change from the past, when the DRC shelter response focused primarily on emergency shelter interventions, the DRC Shelter Working Group's strategy prioritises supporting access to decent housing which respects local construction standards and practices. Support to the (re)construction or rehabilitation of houses aims to bring together targeted communities (displaced, returnee and non-displaced) and not to create divisions by imposing standards which are too far removed from local construction norms. The shelter response therefore aims to take into consideration local shelter typologies and standards in a way that capitalises on and reinforces local knowledge and local markets<sup>4</sup>. Cash-based programming is particularly suited to this shift in focus to local construction norms as both place an increased emphasis on local solutions as well as beneficiary choice, participation and contribution.

## Objectives and Scope of these Guidelines

This document supports the increased uptake of cash-based programming by shelter partners in DRC by providing guidance on the design, implementation and monitoring of cash-based shelter programmes across the country. It highlights key considerations for shelter (re)construction and rehabilitation programmes, particularly those using local construction norms. It is also intended as a reference guide for those with limited experience of cash-based approaches, including links to more detailed information and other key resources and guidelines. It is intended to complement a series of tools and guidelines that are under development by the Global Shelter Cluster.

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<sup>1</sup> *The Grand Bargain: A Shared Commitment to Better Serve People in Need* (2016):

[https://www.agendaforhumanity.org/sites/default/files/resources/2018/Jan/Grand\\_Bargain\\_final\\_22\\_May\\_FINAL-2.pdf](https://www.agendaforhumanity.org/sites/default/files/resources/2018/Jan/Grand_Bargain_final_22_May_FINAL-2.pdf)

<sup>2</sup> Global Shelter Cluster (2016): *GSC Position Paper: Cash and Markets in the Shelter Sector*:

<https://www.sheltercluster.org/shelter-and-cash-working-group/documents/gsc-position-paper-cash-and-markets-shelter-sector>

<sup>3</sup> Idem, and from discussions with DRC Shelter Working Group members in July and August 2018.

<sup>4</sup> DRC Shelter Working Group (2019) *La vision et les principes du Groupe du Travail Abris en RDC* (translated from French). <https://www.sheltercluster.org/democratic-republic-congo/documents/la-vision-et-les-principes-du-groupe-du-travail-abris-en-rdc>

These guidelines are based around a toolkit that accompanies this document (Annex 3) and set out according to the project management cycle.

The guidelines and toolkit draw from and build on the wealth of tools and resources that have already been developed for cash and voucher programmes in recent years, adapting them for shelter construction programmes in DRC. The toolkit contains shelter-specific market analysis, cash feasibility, and cash/voucher monitoring tools which were developed by the Cash-for-Shelter Advisor, tested by Shelter Working Group members in late 2018 and early 2019, and approved by the Shelter Working Group.

# **PART I: INTRODUCTION TO CASH, MARKETS AND SHELTER PROGRAMMING**

# BASIC CONCEPTS: CASH, MARKETS AND SHELTER PROGRAMMING

## 1. The Case for Cash and Voucher Assistance

It is widely recognised that cash and voucher assistance (CVA)<sup>5</sup> can offer greater choice and flexibility to beneficiaries and help to meet their individual needs and circumstances. It can also offer opportunities to invest in and rejuvenate local markets and the local economy and can be more cost-effective than traditional in-kind distributions as it avoids the need to transport large volumes of goods into an area for distribution.

Some of the myths around cash transfer programming – that it increases the risk of fraud or encourages beneficiaries to spend the money on alcohol – have proven to be largely incorrect. Security concerns about cash transfers are largely unsubstantiated – security risks are simply different for cash and in-kind assistance, in some contexts cash and vouchers are even considered more secure because it is more discreet than in-kind assistance.

However, it is not appropriate in all contexts, particularly where markets are not functioning well, required goods or services are not available on the market or where there are security or protection concerns linked to the distribution of cash and vouchers. Some of the advantages and disadvantages of cash, voucher and in-kind assistance are given in the table below.

Whether or not CVA is appropriate and feasible will depend on a given context, as well as a programme's objectives. For a shelter construction programme using local construction norms CVA can enable households to tailor their housing according to the needs of their family and, as households may already have some shelter materials available to them, it allows them to buy only what they need.

It can also be an effective way to rejuvenate the local market, something that is particularly important in zones of return, where populations are trying to settle and re-establish their lives and livelihoods. Experience in DRC has shown that cash-based shelter programmes can also encourage other community members to improve their shelters, increasing the reach of the intervention<sup>6</sup>.

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<sup>5</sup> Cash and voucher assistance “refers to all programs where *cash transfers* or *vouchers* for goods or services are directly provided to recipients. In the context of humanitarian assistance, the term is used to refer to the provision of cash transfers or vouchers given to individuals, household or community recipients”. This is used interchangeably with *Cash Transfer Programming, Cash-Based Interventions or Cash-Based Assistance*. Definition from *CaLP Glossary* (2018)

<sup>6</sup> Discussions with Shelter Working Group members, July and August 2018

	Cash	Vouchers	In-kind
Advantages	<ul style="list-style-type: none"> <li>• Provides flexibility and choice for beneficiaries.</li> <li>• May rejuvenate local markets.</li> <li>• Greater security for beneficiaries as cash is more discreet than in-kind assistance, and beneficiaries are not necessarily identified as such</li> <li>• Cost-effective given the lower implementation costs compared to vouchers or in-kind modalities.</li> <li>• Potential for greater financial inclusion of beneficiaries.</li> <li>• May be easier for households to negotiate prices as they are less easily identifiable as beneficiaries</li> </ul>	<ul style="list-style-type: none"> <li>• Can offer some flexibility and choice to beneficiaries.</li> <li>• Allows organisations to retain some control over how assistance is spent, and the quality and source of materials or services bought by beneficiaries.</li> <li>• Can contribute to rejuvenation of local markets.</li> <li>• Less vulnerable to inflation than cash and less likely to be diverted.</li> </ul>	<ul style="list-style-type: none"> <li>• Can offer greater security for beneficiaries and organisations than cash-based assistance.</li> <li>• Allows organisations to control the quality of construction materials and services that are used and ensure that materials are sustainably sourced.</li> </ul>
Disadvantages	<ul style="list-style-type: none"> <li>• Price inflation, shortage of goods on the market, monopolisation.</li> <li>• Less control for organisations on what assistance is spent on, on the quality or source of construction materials and services purchased.</li> <li>• Potential for diversion through unofficial taxes and contributions paid by beneficiaries.</li> </ul>	<ul style="list-style-type: none"> <li>• Less cost-efficient due to higher set-up and implementation costs.</li> <li>• Time-consuming to set up and organise.</li> <li>• Risks of forgery of vouchers.</li> </ul>	<ul style="list-style-type: none"> <li>• Offers no flexibility to beneficiaries to meet their individual needs.</li> <li>• Can be cost-inefficient with large transport / implementation costs.</li> <li>• Can undermine existing markets and support mechanisms by discouraging trade / livelihoods.</li> </ul>

**Table 1: Advantages and Disadvantages of Different Modalities**

## 2. Cash and Voucher Assistance – Key Concepts

The following terms are useful in understanding how cash transfer programmes in the shelter sector can be designed and implemented.<sup>7</sup>

**Modality:** This refers to the form of assistance – e.g. cash transfer, vouchers, in-kind, service delivery, or a combination (modalities).

**Conditions / Conditionality:** Conditionality refers to prerequisite activities or obligations that a recipient must fulfil in order to receive assistance. Conditions can be imposed on any modality depending on the intervention design and objectives, in order to encourage or ensure certain actions, activities or behaviours. For example, shelter partners in DRC have successfully ensured progress on shelter construction by distributing cash to households in tranches and tying each one to the completion of an agreed stage in the building process. They can also be used to help ensure the quality of the construction and/or of the materials bought by requiring households to meet certain quality standards to receive subsequent tranches, or to participate in technical training.

**Delivery Mechanism:** This refers to how cash or vouchers are delivered to recipients. This can include paper or electronic vouchers, cash-in-hand (distributed by the organisation itself, a bank or other financial service provider), mobile money, bank transfer, cheque, ATM card, or smart card. The choice of delivery mechanism

<sup>7</sup> These have been adapted from CaLP’s Glossary (2018): [www.cashlearning.org/resources/glossary](http://www.cashlearning.org/resources/glossary).

for a given programme will depend on several factors, including the context and infrastructure available, the objectives and timeframe of the programme, a modality's acceptance and ease of use by recipients and data protection concerns. How to choose a delivery mechanism is discussed in more detail in the Programme Design and Implementation section.

**Restrictions:** Vouchers enable an organisation to restrict how a household spends the assistance by limiting the traders who will accept vouchers, the type of goods that vouchers can be spent on or when vouchers can be used. This can be useful if the organisation is concerned that cash will not be spent in accordance with programme objectives. By contrast, cash is considered unrestricted as once they receive it, households can spend it on any and all goods and services. Note the difference between restrictions and conditions: *restrictions* limit what recipients can buy with the assistance once they've received it; *conditions* concern what recipients must do before receiving assistance.

**Multi-sectoral Intervention:** This describes a programme which involves multiple (i.e. more than one) sectors (e.g. food security, shelter, protection, nutrition, education, etc.).

**Multipurpose Cash Transfer (MPC):** These are periodic or one-off transfers corresponding to the amount of money required to cover, fully or partially, a household's basic and/or recovery needs. The term refers to transfers designed to address multiple needs, with the transfer value calculated accordingly. MPC transfer values are often indexed to expenditure gaps based on a **Minimum Expenditure Basket (MEB)**, or other monetised calculation of the amount required to cover basic needs. All MPC are unrestricted in terms of use as they can be spent as the recipient chooses. As MPCs are best suited for goods which are required on a regular or seasonal basis and are often provided as a standalone assistance, they are usually not well suited to meet the objectives of shelter programmes in DRC. To ensure safe and adequate housing and tenure security, complementary support such as technical assistance is required alongside cash transfers.



### Key Resources: Cash, Vouchers and Markets – Key Concepts

- CaLP (2018) *Glossary*  
English: [www.cashlearning.org/resources/glossary](http://www.cashlearning.org/resources/glossary)  
French: [www.cashlearning.org/ressources/glossaire](http://www.cashlearning.org/ressources/glossaire)
- Mercy Corps *Cash Transfer Programming Toolkit*:  
<https://www.mercycorps.org/sites/default/files/CTP1MethodologyGuide.pdf>
- CaLP: *Cash Transfer Programming: The Fundamentals* (free online course: 3-4 hours):  
English: <https://kayaconnect.org/course/info.php?id=496>  
French: <https://kayaconnect.org/course/info.php?id=1059>
- CaLP/IRC: *Introduction to market analysis* (free online course : 30 mins)  
English: <https://kayaconnect.org/course/info.php?id=515>  
French: <https://kayaconnect.org/course/info.php?id=441>



## 3. Shelter Construction – Key Concepts

In addition to the above concepts, it is important to understand the following shelter construction approaches<sup>8</sup>:

**Cash-for-Work (CFW):** This is a form of conditional cash transfer, in which cash payments are provided to beneficiary households on the condition of undertaking designated unskilled work. This is generally paid according to time worked (e.g. number of days) but may also be quantified in terms of outputs (e.g. number of shelters built). CFW interventions usually entail public or community work programmes, but can also include home-based and other forms of work.

The objectives of both the programme and cash transfer, as well as how workers are selected, differentiate this from a project which hires unskilled labour directly for a construction programme.

A primary objective of Cash-for-Work activities is to help vulnerable households meet their basic needs. This may sit alongside other sector-specific objectives such as shelter construction. Households are therefore selected according to vulnerability criteria which make them eligible to receive humanitarian assistance.

**Direct labour**, by contrast, is recruited only based on their ability to complete the work required, with the programme's sole objective being to construct shelters. With direct labour, community leaders or other community groups may be responsible for the selection process.

**Community Labour:** This involves the mobilisation of a community to undertake shelter construction, whereby materials or financial support are combined with technical support and provided to the community, rather than to the individual family. Pre-existing solidarity mechanisms have to be taken into account in programme design both in order to derive the maximum community involvement and to avoid disrupting their essential nature, which is often volunteer-based.

Community labour is different to Cash-for-Work as individuals are not usually paid for their labour. The labour is provided in-kind by the beneficiaries in exchange for materials or financial support to purchase materials, combined with technical support.

**Self-Help (or Owner-driven) Construction:** This refers to programmes in which beneficiaries are responsible for providing the (unskilled) labour required to construct their own homes, with no compensation for their labour. Other support, such as materials, may be provided by an implementing organisation. This is particularly appropriate in a context such as DRC which has a tradition of self-building. This needs to be accompanied by regular monitoring, supervision and technical assistance to ensure quality control. For those who do not have the capacity to construct their own houses, community labour can be used, using existing community solidarity mechanisms where possible, or a family could employ other unskilled labour to do so. The latter is referred to in this document as **Owner- or beneficiary-paid labour**. Implementing organisations may support families with cash transfers or other assistance so they can pay for this labour.

**Contracted Works:** This refers to the hiring of professional companies to provide technical expertise, and skilled or unskilled labour to construct shelter and settlements.

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<sup>8</sup> Definitions adapted from DG ECHO (2018) *Shelter and Settlements, Thematic Policy Document*:  
[https://ec.europa.eu/echo/sites/echo-site/files/doc\\_policy\\_n9\\_en\\_301117\\_liens\\_bd.pdf](https://ec.europa.eu/echo/sites/echo-site/files/doc_policy_n9_en_301117_liens_bd.pdf)

## 4. Markets – Key Concepts

### I. Markets and Market Systems

A **market** is defined as the system of exchange of goods or services between two or more actors or the system of supply and demand for a given commodity or service. This exchange takes place in a **marketplace**, which can be physical or virtual. Markets are sometimes defined by forces of supply and demand, rather than geographical location; for example, ‘imported cereals make up 40% of the market’<sup>9</sup>.

Humanitarian organisations rely on markets to deliver aid, whether through direct procurement for in-kind distributions or in cash and voucher programmes, where beneficiaries buy goods and services in the local marketplace. For shelter construction programmes, organisations also use **local labour markets** to recruit skilled and unskilled workers.

The most important markets for shelter construction programmes include those for:

- **Goods, including construction materials**
- **Services, including labour**
- **Natural resources, including water.**

For a given commodity or service there may be a series of exchanges between different buyers and sellers in order that goods or services arrive to the final consumer. This sequence of exchanges is known as the **market chain**. For example, the market chain for a timber market could involve regional or international suppliers, importers, wholesalers and local retailers. In a labour market this could include training and educational establishments and different employers.

Every market or market chain also requires a variety of services, inputs or infrastructure to enable it function. These might include transport, storage, roads, raw materials or machinery. A market chain is also affected by the environment in which it operates, including national, international or local policies, laws or cultural norms. For example, a timber market could be affected by policies on the exploitation of forests or laws controlling the importation of wood from international markets. The combination of the market chain, its enabling environment and the way the various components interact is known as a **market system**.

### II. Why Are Markets Important?

People use markets to buy and sell goods so that they can meet their basic needs and access goods and services that they are unable to produce themselves. Conflict, natural disaster and other events disrupt markets and market systems, meaning that communities can no longer meet their basic needs. Markets also play a central role in humanitarian response and development activities.

As a result, understanding markets – how they operate, what their capacity is, whether they can respond to changes in demand, and who can access them – is essential for the following reasons:

1. Humanitarian organisations rely on markets to deliver the goods and/or services required by their target populations, whether through in-kind, cash and voucher, or other modalities.
2. The size and scale of humanitarian interventions mean that they often create a demand which far exceeds a market’s normal capacity. Interventions can therefore have a negative impact on the market and create market distortions, including causing the price of key goods and services to increase

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<sup>9</sup> Definition from CaLP’s Glossary (2018): [www.cashlearning.org/resources/glossary](http://www.cashlearning.org/resources/glossary)

or their availability to decrease. This will have serious consequences for the wider population and for the response itself.

3. As communities use markets to access a range of essential goods and services they have a key role to play in helping communities to recover and rebuild after a crisis. They need to function well in order that communities can access goods and services, particularly after the end of a humanitarian intervention.
4. Humanitarian organisations can have an important role in helping markets and market systems to recover after a crisis so that key goods and services are available to communities. Activities which use, support or help to strengthen local markets are known as **market-based interventions**. CVA uses local markets and marketplaces and is therefore one type of market-based intervention. Beneficiaries spend their cash or vouchers in local marketplaces or with local traders. This in turn can rejuvenate the local market, increase its capacity and promote local investment. This is discussed in more detail on p.16 below.

Understanding and analysing markets and market systems is therefore essential to ensuring that programmes do not negatively impact on the market in ensuring the success of the programme itself and in fostering longer-term gains.

### III. Marketplaces

#### Different Types of Marketplaces

Different marketplaces have different roles to play in a market chain, depending on their size and location. For the purposes of a humanitarian intervention, these can be divided into four categories, as outlined below:

**Intervention Markets:** These are the markets which are most likely to be used by beneficiaries and are therefore most likely to be impacted by a humanitarian intervention, whether a direct distribution of commodities, the distribution of cash and vouchers or large-scale local procurement.

**Regional/Local Supply Market:** This is the largest wholesale markets in a given area and is normally found in a provincial or territorial capital or on the border of another country. This is a key supply market for traders in the intervention markets and therefore are influential in setting prices and market dynamics in the intervention markets.

**Central Markets:** Central markets are the largest markets in the programme area and dictate commodity prices for the region. They are usually found in capital cities or large urban centres, as well as at border locations where there may be a large trade in import and export. Information on prices in these is often readily available from secondary sources. Price changes in central markets may affect prices in the intervention markets but will depend on how well integrated they are.

**Downstream Markets:** These markets are supplied by the intervention markets and can therefore be affected by changes caused by the programme in intervention markets.

In shelter interventions it is important to remember that not all goods or services will be available in these formal marketplaces. For example, some construction materials such as straw, mud etc. may be available locally, from sources outside of formal marketplaces. Labour markets also often operate outside these formal marketplaces: at home, on a construction site, in fields, at a carpenter's workshop etc.

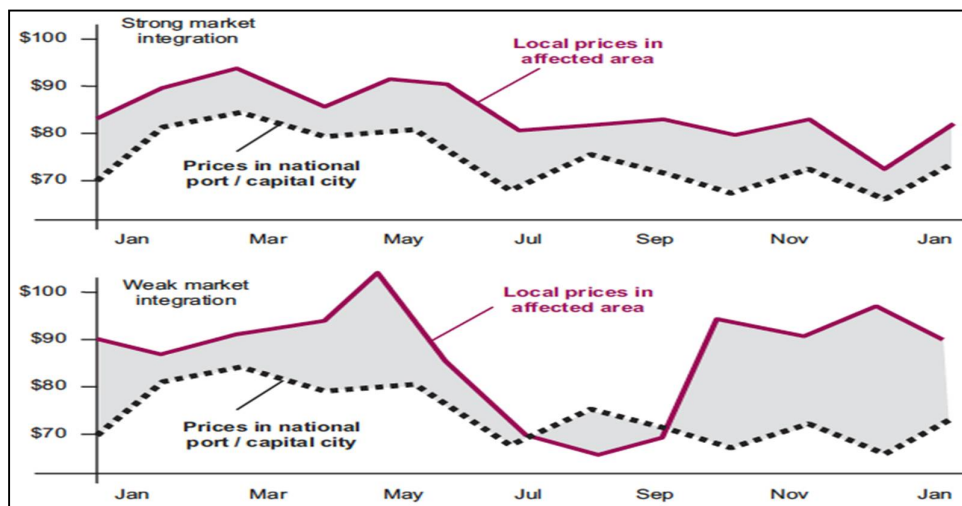
## Market Integration

The price and availability of goods and services in a given marketplace will depend on the prices and availability of those goods in its supply marketplace(s), as well as other factors such as seasonality, which may affect transport routes and costs.

The ability of a market to respond to changes in supply and demand will depend on how well connected it is to its supply market(s), for example if it has good transport links and trade flows between them. This is known as **market integration**.

When there is an increase in demand in a well-integrated marketplace traders will be able to respond quickly to that by increasing their supply. If a marketplace is poorly integrated, an increase in demand for a given item is likely to lead to a drop in availability and therefore a price increase, as traders are not able to easily or quickly restock. As a result, prices in a poorly integrated market will change as supply and demand changes. By contrast, a well-integrated market should be able to respond to local changes in supply and demand without affecting prices; instead, prices will change according to prices in its supply market(s) or the wider region.

Compare the two examples below. The top graph shows a well-integrated marketplace, in which price changes in the local marketplace follow those in the regional supply market. The bottom graph shows a poorly integrated market in which local prices changes are unconnected to those in the larger regional market.



**Figure 1: Comparing a well-integrated and a poorly-integrated marketplace.** Source: CaLP Market Assessment Tools Training: Understanding Market Performance

As cash and voucher assistance can create a sudden increase in demand for certain goods in the local market, it is essential that intervention markets are well integrated in order that they can effectively and quickly respond without causing price inflation or a severe reduction in availability, or without affecting the success of the programme. Understanding how well integrated a marketplace is therefore an important part of a market analysis.

## IV. Market Mapping

### Market Systems Maps

Market systems can be effectively represented on a **market systems map**, which provides a graphical representation of the connections and links between different actors and components of a market system.

Preparing market system maps for goods or services is an important part of a market analysis as it can help to identify the extent to which a given market system could support a cash-based intervention, where goods are sourced from, understand how a market system has changed and the factors which influence it and identify weak points in the market system which could need support.

Market systems maps show:

1. The market chain, depicting the sequence of actors and processes involved in the production and distribution of a commodity or service, and the number of actors at each stage.
2. The links between these different actors in a market chain: how goods or services move between them, in what quantity or volume, and at what price. The larger the arrow, the greater the quantity of goods / services exchanged.
3. The market environment including laws, customs and other contextual factors which influence a market.
4. Market services, inputs and the infrastructure which allow a market to function.
5. Disruptions in different parts of the market system as a result of a crisis or seasonal changes in the availability of goods.

Three examples of these are given on pages 15 to 17, showing market systems maps for timber, construction labour and the production of bricks, respectively.

# 1. Timber Market Map, Haiti, Red Cross (2008) Pre-Earthquake

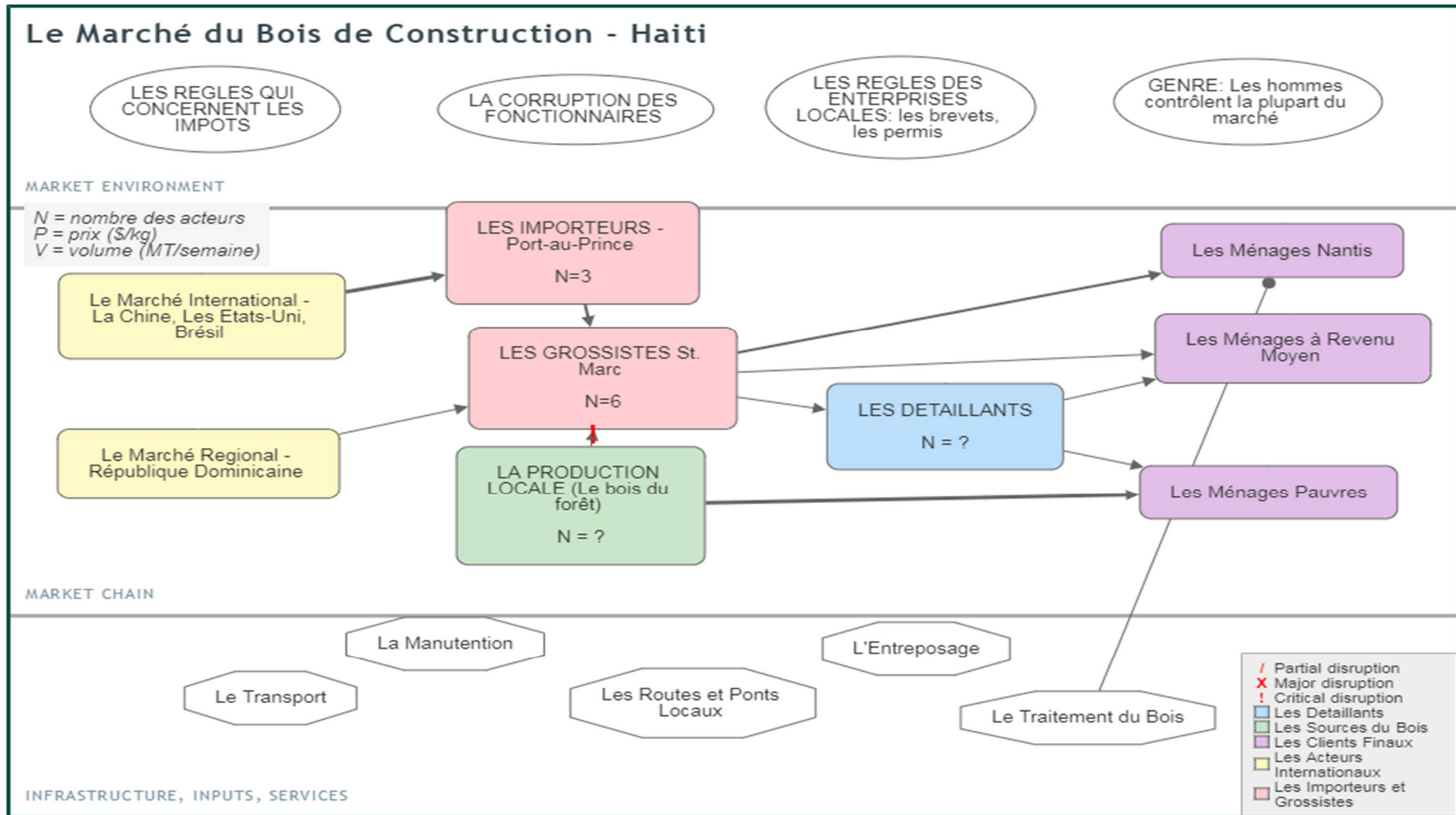


Figure 2: Market Systems Map for Timber in Haiti, 2008. Red Cross.

## 2. Construction labour market map, Haiti, IRC (2010) Post-Earthquake

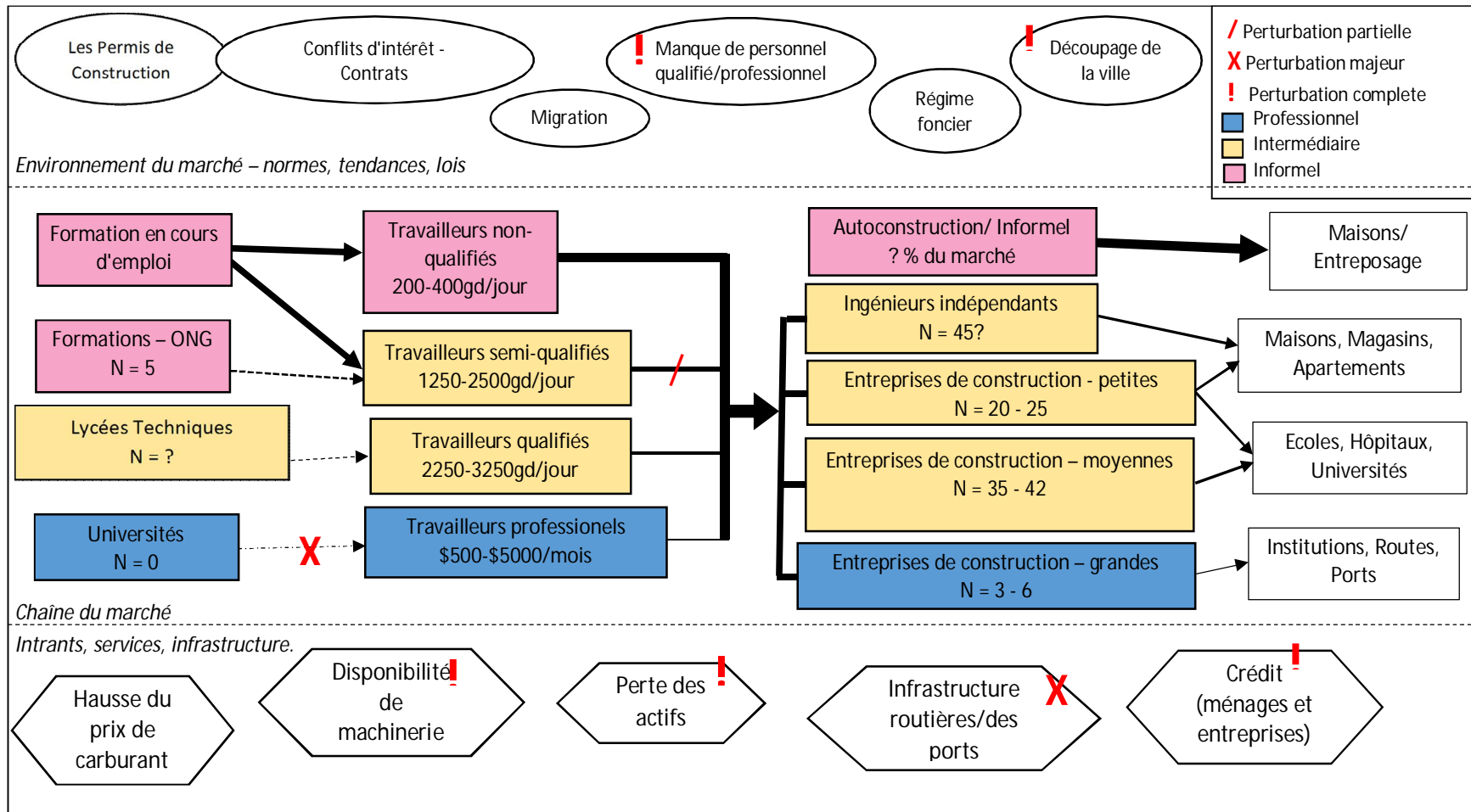


Figure 3: Market Map for Construction Labour, post-earthquake, Haiti, 2010. International Rescue Committee.

### 3. Brick Production, West Sumatra, led by Oxfam GB (2009) Post Earthquake

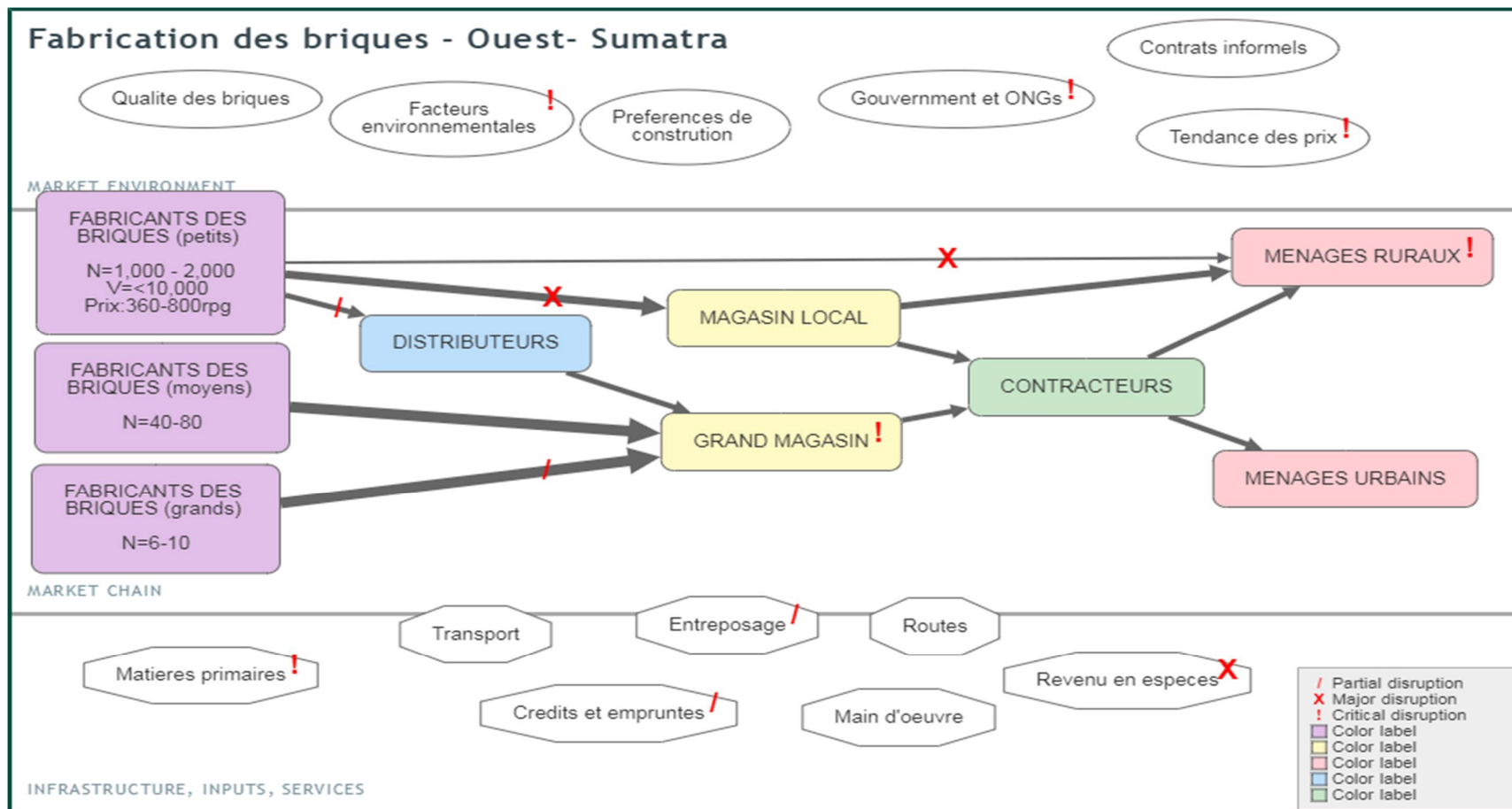


Figure 4: Market Systems Map for Brick Production, West Sumatra, 2009. Oxfam.



## Market Flow and Circulation Maps

In addition to the Market Systems Map it is useful to represent information about a market on a **market flow and circulation map**. This shows the geographic location of different marketplaces and the flow of goods between them and can usefully highlight areas of production and deficit as well as the distances that goods travel between different market places. An example of a market flow map for sorghum in Uganda is shown below.

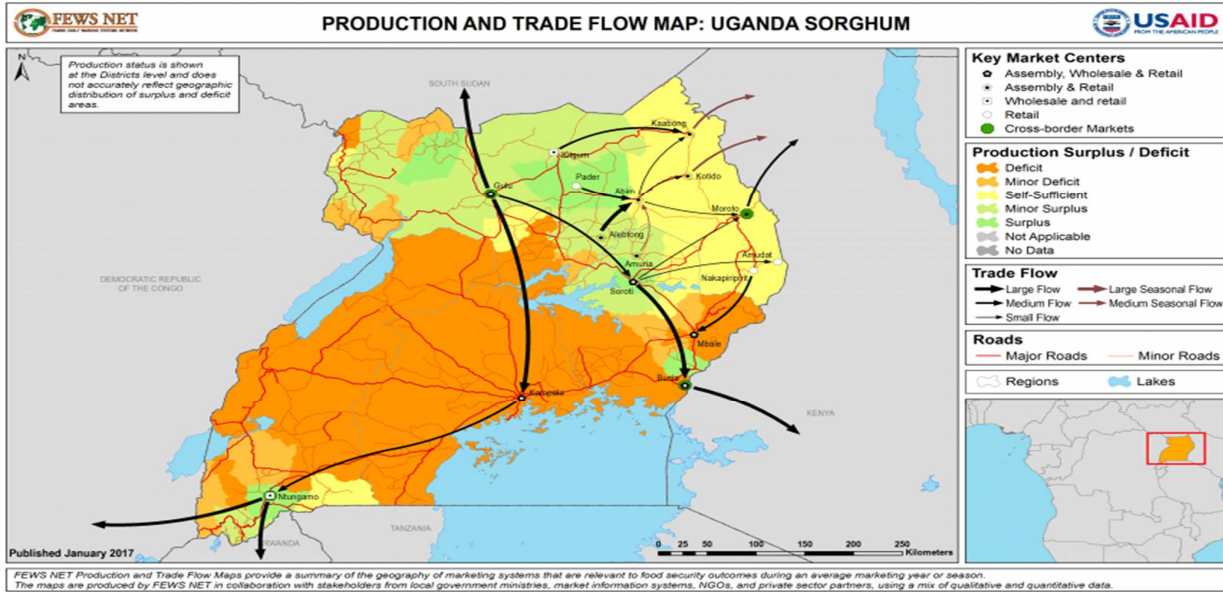


Figure 5 Market Production and Trade Flow Map for Sorghum, 2017, Uganda. FEWS NET.

In a shelter intervention this would be most useful for commodities such as timber or bamboo, where the sourcing of materials is an important environmental consideration as this can help to identify the origin and therefore the sustainability of the sources.

## 5. Market-Based Programming

Markets are essential in enabling people to meet their basic needs and provide a place to sell any goods and services that they produce; well-functioning markets will therefore help the local population to recover after a crisis and to re-establish their lives and livelihoods, including in areas of displacement and return.

Humanitarian organisations have an important role to play in supporting local markets and market systems. Cash and voucher assistance is one way of doing this as beneficiaries spend their cash transfers or vouchers in local marketplaces, creating demand for goods and services at a local level and giving traders or artisans revenue with which to invest in and strengthen their

### Key Resources – Market-based Programming

- CaLP (2017) *Market-Based Programming Framework*: <http://www.cashlearning.org/downloads/mbp-framework2may2017final-2.pdf>
- CaLP (2018) *Market Support Interventions in Humanitarian Contexts – a Tip Sheet*: <http://www.cashlearning.org/downloads/resources/guidelines/calp-crs-tip-sheet-web.pdf>
- Levine, Simon (2017): *Markets in Crisis: the implications for Humanitarian action*. Humanitarian Policy Group report: <https://www.odhpn.org/sites/odi.org.uk/files/resource-documents/11722.pdf>

business and increase their capacity. By contrast, in-kind assistance can negatively impact the functioning of a market because goods are often bought from elsewhere and distributed directly to communities, reducing the local demand and market for these goods. This undermines local traders and their businesses, and will impact how well a market functions.

By contrast, there are ways that humanitarian organisations can help markets to function. These are known as **market-based programmes** or **market-based interventions**, which are defined as those which use, work through or support local markets. These include programmes which:

- use local markets (such as the provision of cash and voucher assistance, or the local procurement of goods or services for an in-kind distribution)
- support local markets, by addressing issues or blockages in the market system which are preventing it from functioning well; and
- proactively strengthen or change local market systems.

These can be short or long-term interventions, implemented as part of an emergency response or a longer-term resilience programme. They can also stand alone or be part of a larger programme.

They can be interventions which work to improve the supply side, or the demand-side of the market; which aim to resolve problems with the infrastructure, services or inputs in a given market system; or which address issues in the market environment.

Consider CaLP's Market-Based Programming Framework<sup>10</sup> below, which provides examples of market-based interventions, which support different parts of the market system at various stages of a response.

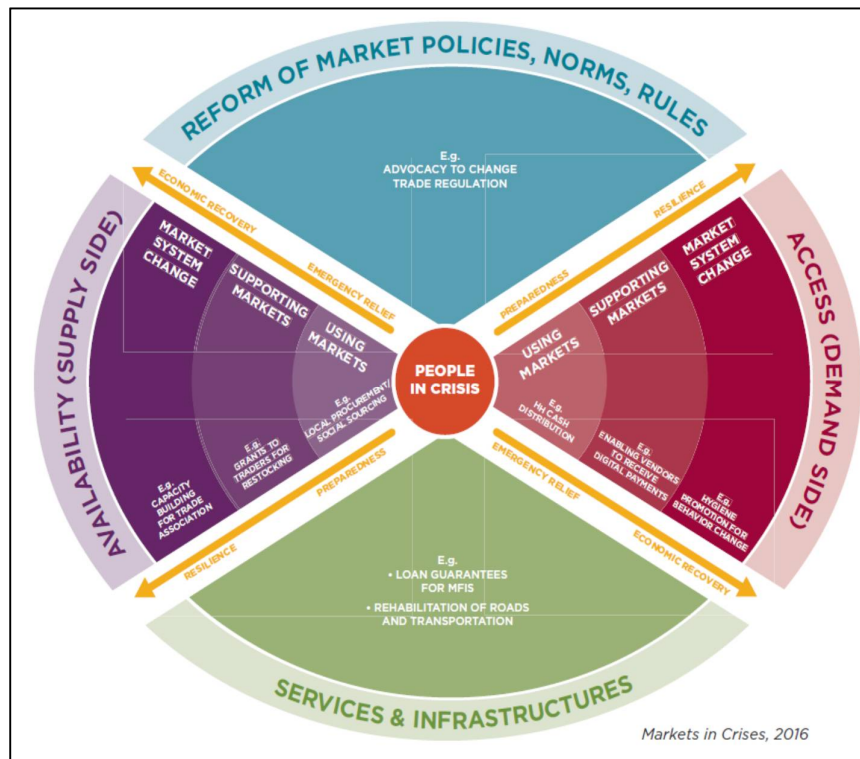



Figure 6: CaLP (2016) Market-Based Programming Framework

<sup>10</sup> CaLP (2017) Updated Market Based Programming Framework: <http://www.cashlearning.org/downloads/mbp-framework2may2017final-2.pdf>

Some examples of market-based programmes in the context of a shelter construction programme are given below, arranged according to which parts of the market system they target, and their place in the above framework.

	Using local markets	Support to local markets	Market system change
<b>Supply side</b>	<ul style="list-style-type: none"> <li>Procurement of construction materials from local traders for an in-kind distribution</li> <li>Contracting of local carpenters to make doors and windows for shelters.</li> </ul>	<ul style="list-style-type: none"> <li>Grants/loans/provision of raw materials to carpenters so they can respond to an increased demand for doors and windows (e.g. to buy raw materials/recruit additional workforce)</li> </ul>	<ul style="list-style-type: none"> <li>Strengthening the capacity of a local trader or craftsman association</li> <li>Establishing links between local traders/craftsmen and selected suppliers to improve the quality/sustainability of goods in the local marketplace.</li> </ul>
<b>Demand side</b>	<ul style="list-style-type: none"> <li>Cash and voucher assistance to enable beneficiaries to buy goods on the local market</li> </ul>	<ul style="list-style-type: none"> <li>Working with vendors so that they can receive digital payments.</li> </ul>	<ul style="list-style-type: none"> <li>Sensitising beneficiaries on the risks of poor-quality building materials in order to generate demand for quality building materials.</li> </ul>
<b>Services, infrastructure and inputs</b>	<ul style="list-style-type: none"> <li>Improving road infrastructure so that traders can more readily respond to changes in demand</li> <li>Supporting traders to increase the quality/quantity of their storage so that can respond quickly to changes in demand and so that items such as timber are not damaged in storage.</li> </ul>		
<b>Market environment</b>	<ul style="list-style-type: none"> <li>Working with timber suppliers and the local community to change how they use and manage natural resources to improve sustainability.</li> <li>Advocating with the local/national government for changes in policies or laws which affect the market chain.</li> </ul>		
			
<b>SHORT-TERM</b>		<b>LONG-TERM</b>	

**Table 2: Examples of market-based interventions in the shelter sector**

Understanding how a market system functions, or why it is not functioning is an important part of a market analysis and the planning of an intervention. This will help to identify potential short or long-term options to support the market which address the underlying issue(s) affecting it, and will prevent interventions from destabilising a market system. The example in the case study below demonstrates the importance of identifying the underlying problems in the market systems and addressing these through market-based interventions.

A market map is an effective way to identify potential market-based interventions, as it allows you to easily understand that blockages and issues which are preventing goods or services from reaching the final consumer.



### Case Study

An organisation wanted to implement a shelter programme in response to an earthquake using locally-produced bricks. The targeted communities used to be able to buy bricks directly from small local brick producers or from local stores, which also bought their stock from these same brick producers. However, the earthquake caused most of the brick producers' kilns to collapse, meaning that they were no longer able to produce bricks. As much of their capital was tied up in the kilns, they were also unable to rebuild them.

As a result, when a team arrived to do a market analysis, they found that there were no bricks available on the local market, which led them to the conclusion that buying the bricks from elsewhere and doing an in-kind distribution would be necessary.

Although this resolved the problem for the targeted households, it created two further problems:

- a) No other households were able to access bricks to repair their shelters as the local kilns were still not functioning.
- b) It reduced the demand for bricks amongst the local population, which had a longer-term impact on the livelihoods of the brick manufacturers. The market was no longer big enough for all of them and many lost their livelihoods.

Instead of an in-kind distribution, support to the brick manufacturers so that they could rebuild their kilns, combined with cash/voucher assistance to targeted households would have helped the market and the wider community to recover from the earthquake, and would have ensured that the intervention did not damage existing livelihoods and coping mechanisms.

## 6. Use of Cash and Vouchers in the Shelter Sector

Globally, cash and voucher assistance has predominantly been used to support the following shelter and housing interventions:

1. Housing (re)construction or repair programmes
2. Rental support programmes
3. Host family and landlord support
4. Winterisation programmes

Although not widespread, the vast majority of cash-based assistance in the DRC shelter response to date has focused on reconstruction or repair programmes. Typically, they have used conditional cash transfers, paid in tranches, with subsequent tranches tied to construction progress. Others have used unconditional cash transfers for rehabilitation and reconstruction, cash-for-work approaches and vouchers for construction materials.

Case studies of existing cash for shelter programmes in DRC and globally are available from the Key Resources, listed. The Cash Working Group is another good source of up-to-date information and examples of how cash-based approaches have been used in DRC.

### Key Resources – Case Studies

- DRC Shelter Working Group (2018) *Lessons Learnt and Recommendations for Cash-for-Shelter Programmes in DRC*:  
<https://www.sheltercluster.org/bn/node/15465>
- Global Shelter Cluster (2018) *Shelter Projects: Shelter and Cash, 12 Case Studies*:  
<http://shelterprojects.org/shelterprojects-compilations/Shelter-Projects-Cash-Booklet-2018.pdf>
- Global Shelter Cluster: Shelter and Cash Working Group: <https://www.sheltercluster.org/working-group/shelter-and-cash>
- Catholic Relief Services (2016) *Using Cash for Shelter: An Overview of CRS Programmes*:  
<https://www.crs.org/our-work-overseas/research-publications/using-cash-shelter>

## 7. Key Considerations for Shelter Construction and Cash-based Approaches

Globally, the uptake of cash-based programming within the shelter sector has been low to date. This is partly because of the lack of tools and guidance - including market analysis and cash feasibility tools<sup>11</sup> - which are adapted to the needs of shelter interventions and shelter markets.

Shelter markets and interventions have several characteristics which need to be taken into consideration when planning and implementing a construction programme, and which mean that tools and guidelines for more general cash transfer programmes are of limited use. These are outlined below:

1. Shelter construction requires both materials and labour and therefore market analysis can be more complex. Any market analysis may need to include both qualified and unqualified labour markets, as well as markets for construction materials, which may be for sale in formal marketplaces and/or locally available.
2. Shelter construction markets are often referred to as 'boom and bust' markets. This means that there is often a sudden demand for these materials, but this demand is unlikely to be sustained in the longer-term, resulting in an equally sudden drop in demand. Humanitarian interventions can exacerbate this as they frequently undertake relatively large-scale construction in a short timeframe. By contrast, food markets have a continuous, sustained and relatively stable demand. As a result, and as construction materials are often both high-value and infrequently purchased items, traders are unlikely to stock construction materials in significant quantities on local markets; instead, they may only be found in larger, more central markets. This does not mean that local traders would be unable to increase their stock in response to an increase in demand from a humanitarian intervention; however, it is important that this is factored into the information collected during a market analysis and the conclusions drawn from it.
3. Traditionally, market assessments and analyses are conducted at formal, physical marketplaces. For shelter projects using local construction norms, it is important to widen this to include market actors such as craftsmen who may not work from formal marketplaces, as well as materials such as straw or mud, which can be collected locally but would not be available for sale in formal marketplaces.
4. Shelter construction programmes, particularly those using cash-based approaches, can have a significant impact on the local environment. Natural resources such as timber, straw and water are fundamental parts of the local construction process in DRC, and shelter construction programmes often require significant quantities of these in a short time period. With in-kind distributions, organisations retain control over the purchasing process and can therefore choose to buy from several sources, minimising the impact on a single area. They can also put measures in place to ensure sources are sustainable. This is not the case for cash and voucher assistance, as beneficiaries choose which traders to buy from. There is therefore less guarantee that their sources are sustainable. Where they are available, beneficiaries may also choose cheaper alternatives, which tend to be less environmentally sustainable. In addition, as traders will be local rather than regional suppliers, they are more likely to source their materials from a smaller, local area, which increases the environmental impact on the surrounding communities. This can have a severe negative impact on local environmental conditions and ecosystems, and contribute to deforestation, soil erosion, water

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<sup>11</sup> Global Shelter Cluster (2016): *GSC Position Paper: Cash and Markets in the Shelter Sector*:  
<https://www.sheltercluster.org/shelter-and-cash-working-group/documents/gsc-position-paper-cash-and-markets-shelter-sector>

shortages and social tensions. Environmental impact is therefore an essential consideration when identifying whether cash and voucher assistance is feasible, and when selecting the most appropriate modality.

5. Careful consideration needs to be given to the seasonal availability of materials and labour to avoid construction coinciding with periods when natural resources have limited availability, or periods of intense agricultural, or other livelihood-related, activity. The draw of cash or vouchers means that communities are likely to prioritise construction over other livelihood activities. This can have serious consequences on their food security or their ability to meet their other basic needs in the short or long term.
6. Experience in DRC has also shown that cash-based shelter construction interventions can create significant interest in the wider community to improve their own shelters, and therefore a further demand for construction materials and labour. As a result, market analyses need to factor this in when considering the capacity of the local market to support the response, and carefully monitor changes in this demand to mitigate against unintended negative consequences of the intervention.

7. Traditionally, houses are built progressively in DRC, with families buying materials and building their house over time. This contrasts with a humanitarian intervention, which requires shelters to be completed within a finite time period. In addition, meeting food or other urgent needs such as medical costs, is likely to be prioritised over lower priority shelter-related purchases. As a result, and even when they report a high need for shelter support, families may not spend their assistance on shelter. Shelter programmes must therefore be designed in such a way – through conditions and restrictions, for example - to ensure that the transfer is spent on relevant goods or services and the programme's objectives can be achieved.

### Case Study



*Cash-based approaches have been used with success in refugee camp settings to improve access to quality shelters. In several cases, they also fostered considerable interest from other residents in improving their own shelters, and as a result, an increased demand for construction materials and labour. In one example, local carpenters cut down significant tracts of local forest in order to keep up with this demand for wooden doors and windows and caused widespread local deforestation. In another case, a carpenter took his children out of school to ensure that he had the labour available to keep up with this unforeseen demand.*

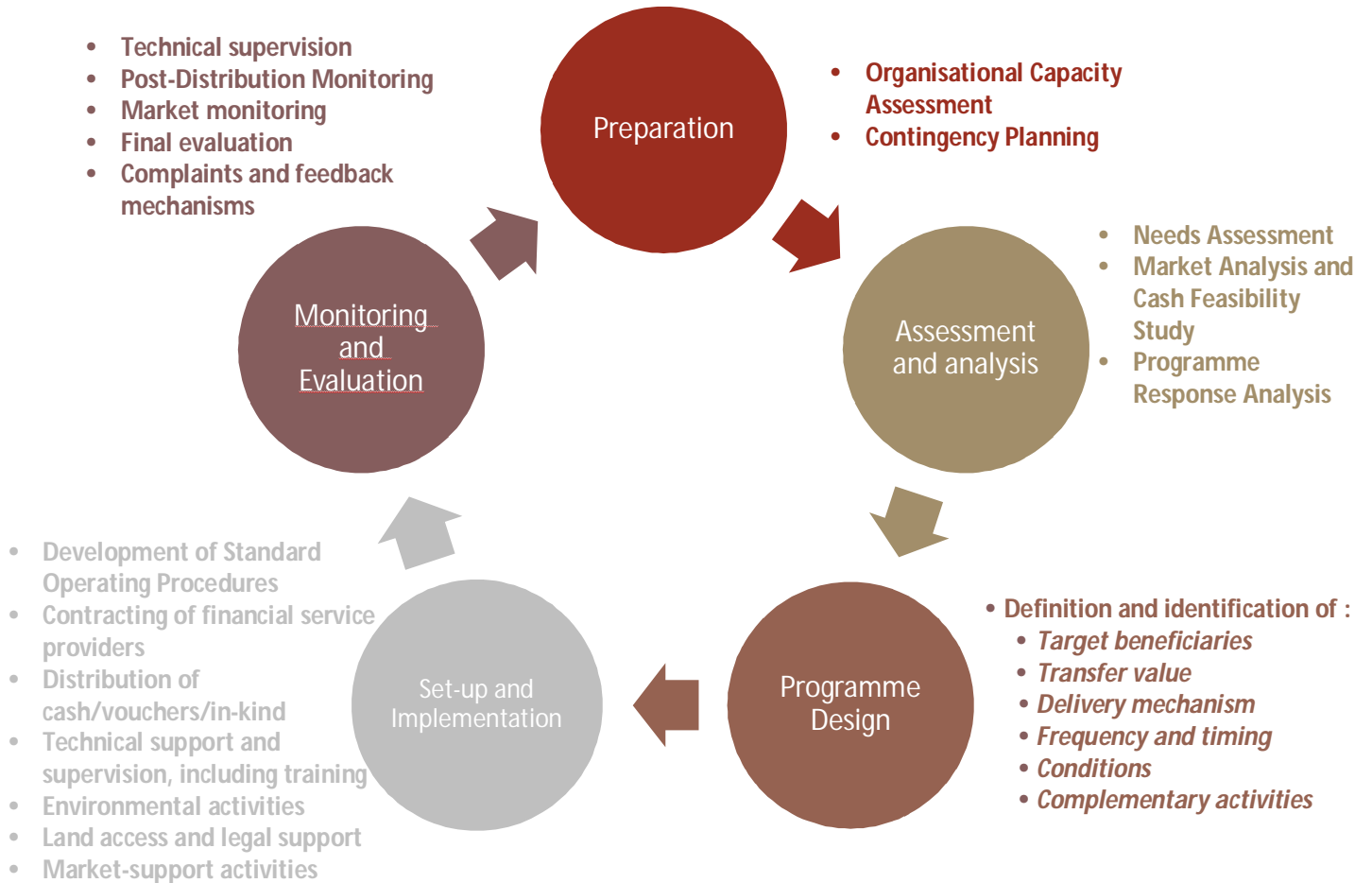
8. Quality control during the construction process is essential in order to ensure that target households have access to adequate, safe and secure housing by the end of the project. In the shelter sector, conditionality and/or restrictions, combined with technical assistance, are recommended as a way to ensure that households understand and follow safe building practices and use quality construction materials. In DRC, widespread problems with land access mean that other forms of complementary activities, such as Housing, Land and Property (HLP) support are essential to address non-financial barriers to accessing safe and secure housing.

The toolkit presented in the next section has been developed specifically to address these issues and better support the use of cash and voucher assistance in the shelter sector in DRC.

# **PART II: THE PROJECT CYCLE - CASH-BASED SHELTER CONSTRUCTION PROGRAMMES**

# THE PROJECT CYCLE – AN OVERVIEW

The diagram below shows a typical project cycle for a cash-based shelter programme, including the key steps and related activities at each stage. These will be discussed in more detail over the following pages.



**Figure 7: Project cycle for cash-based construction and rehabilitation programmes**

**Note:** *Set-Up and Implementation* is not covered in this guidance as there are extensive resources already available on how to set and run cash-transfer programmes and there is little that is specific to the shelter sector. Links are however provided throughout this document in case further support is required. Guidance on technical aspects of setting up and implementing shelter programmes is available from the Shelter Working Group.



# PREPARATION

# PREPARATION

## 1. Organisational Capacity Assessment

An implementing organisation may need to make changes to their financial, procurement or monitoring systems to ensure that they are adapted to cash and voucher assistance. For example, traditional procurement processes may not be well adapted to the use of cash transfers.

CaLP's Organisational Cash Readiness Tool highlights four key areas to evaluate before embarking on cash transfer programming for the first time. This is a self-led assessment tool which can help to identify key areas which need support. While CaLP estimate that the full assessment and action planning could take up to three months, this should be adapted to the individual organisation and can be used as the basis for a lighter exercise.

### Key Resources – Organisational Capacity and Preparedness

- CaLP (2016) *Organisational Cash Readiness Tool (OCRT)*:  
<http://www.cashlearning.org/strengthening-institutional-capacity/strengthening-institutional->

## 2. Contingency Planning and Preparedness

Because of the dynamic nature of markets, a trait that is only exacerbated in volatile contexts such as DRC, a programme may need to be adapted accordingly during its implementation. As well as changes to the market, new or unforeseen protection issues, changes in the security context or unintended environmental impacts may also mean that a chosen programme strategy or modality is no longer viable. As well as having robust monitoring systems in place<sup>12</sup> to ensure the timely identification of such issues, organisations should have contingency plans ready so that they can switch to an alternative approach if needed.

Factors such as donor pressure and contractual obligations or costs often make it difficult to change course in the middle of a programme but adequately preparing for this eventuality will make the decision to change approach, and the implementation of such change much easier. This could include:

- Building flexibility into donor proposals and funding requests and keeping donors informed of changes to the context or unforeseen consequences of the programme;
- Identifying potential operational constraints that may affect the programme during the initial assessment and analysis and establishing contingency plans for these.
- Identifying and establishing working relationships and agreements with suppliers, contractors, potential partners etc.
- Establishing relationships, and identify opportunities for coordination and collaboration, with other organisations in the same geographic and sectoral areas.
- Identifying potential implementing partners.
- Establishing a stand-by capacity to resource a change in programmatic approach;
- Establishing systems and procedures required to roll out various contingency measures.

A contingency plan should identify the most likely and highest impact risks to the programme, market and communities over the course of the implementation period, using information collected during the assessment phase and plan alternative approaches for each of these scenarios.

<sup>12</sup> See *Monitoring and Evaluation* for more information on how to monitor cash-based interventions effectively.

**ASSESSMENT  
AND  
ANALYSIS**

# ASSESSMENT AND ANALYSIS: MARKET ANALYSIS AND CASH FEASIBILITY STUDIES

## 1. Introduction to Market Analysis and Cash Feasibility Studies

### Why are market analyses and cash feasibility studies necessary?

As you will have seen from the previous section, understanding markets is essential both in ensuring the success of a humanitarian intervention and in ensuring that the intervention is planned and implemented in a way that does not negatively impact the market. In addition, organisations need to consider the potential impact of a shelter intervention on the wider community and the environment and analyse other factors which will contribute to the appropriateness of a cash-based response.

Market analyses and cash feasibility studies are a means to collecting and analysing this information and can help to identify the most appropriate modality, mechanism and programme response for a given context.

### Market Analysis

A market analysis can be conducted as a standalone exercise – for example, to determine if local procurement is possible, as well as part of a wider cash feasibility study. A market analysis helps to identify:

- The capacity or potential capacity of the construction material and labour markets to respond to the demand of the programme and the demand from the wider community.
- Ethnic/religious/gender or other considerations which affect access to markets for key groups;
- How well-integrated local marketplaces are;
- How competitive local markets are.<sup>13</sup>

### Cash Feasibility Studies

A **cash feasibility study** analyses the wider context, including the market, in order to identify whether or not a cash-based response is appropriate. In doing so it considers:

1. **Market Analysis**
2. **Beneficiary preference**
3. **Existence and capacity of Financial Service Providers (FSPs)**
4. **Risk and protection analysis, including risks to the environment and gender relations**

In doing so, cash feasibility studies and/or market analyses should help managers to answer key questions and make programmatic decisions about the design of a given programme. While the exact nature of these questions and decisions will vary between programmes and contexts, some of the most common for a shelter (re)construction and rehabilitation programme are:

- **Which modality (or modalities) is the most appropriate for this response (in-kind, cash, vouchers, technical assistance, service delivery), considering the market and the population?**

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<sup>13</sup> Taken from Austin, L., Chessex, S (2013) *Minimum Requirements for Market Analysis in Emergencies*. CaLP.

- Which modality will have the least impact on the environment and be the most environmentally sustainable?
- What is the capacity of the local labour market to meet the demands of the response?
- What contributions – in materials and/or labour – can the target groups make towards the construction?
- Can construction materials be procured locally?
- What support does the local market and key market system need to improve how it functions?

There is a common misconception that in-kind assistance is the default and 'safe' option, and therefore does not require a market analysis or cash feasibility study. However, as in-kind distributions both use and can have serious negative impacts on markets, **a market analysis and feasibility study is necessary for all interventions**. This will ensure that the most appropriate modality and approach are chosen and will minimise the risk of the project to local markets and communities. The case study on the right gives one example of what can happen when a market analysis is not conducted before an in-kind distribution.

Market analyses and cash feasibility studies are typically conducted simultaneously, and after the needs assessment. However, some information – for example, on market access and functionality, beneficiary preferences and access to financial services, may be collected at the same time as the needs assessment to save time and minimise the duplication of work.

The rest of this section provides detailed guidance on how to use the accompanying market analysis and cash feasibility tools in Annex 3. Further information on existing tools and guidelines is provided in the Key Resources section below. The toolkit in Annex 3 is based on these existing tools but adapts them for use in shelter construction programmes. This includes:

- An analysis of construction material markets, qualified and unqualified labour markets and production by local craftsmen.
- An analysis of seasonal changes to the labour markets and construction material markets.
- An environmental analysis, including how communities currently use and manage natural resources.
- Inclusion of both formal and informal marketplaces. For example, it considers traders selling construction materials at formal marketplaces, as well as craftsmen who work outside of these and materials and natural resources which are locally available but are not for sale.
- A consideration not only of the demand for materials and labour from the programme, but the potential demand created by the programme from non-targeted households.
- The availability and capacity of targeted households to contribute to, and be involved in, the construction of their own shelters.

### Case Study



*An organization had planned to carry out an in-kind distribution of shelter materials, bringing in the required goods from outside the programme area. Delays in the procurement process meant that eventually, they conducted a local market assessment to identify alternative suppliers. This showed them that the local market did have the capacity to supply the materials after all. They changed their approach accordingly, but not before significant delays to the programme. An initial market analysis would have identified this at the start, saved time, increased the programme's cost-effectiveness and supported the local market.*



### Key Resources – Market Analysis and Cash Feasibility Studies

- EMMA: *Emergency Mapping and Market Analysis Toolkit* <https://www.emma-toolkit.org/>
- IFRC/ICRC (2014) *Rapid Assessment for Markets (RAM)*: <https://www.icrc.org/en/publication/4199-rapid-assessment-markets-guidelines-initial-emergency-market-assessment>
- IFRC/ICRC (2014) *Market Analysis Guidance (MAG)*: <https://www.icrc.org/en/publication/4200-market-analysis-guidance>
- UNHCR (2017) *Multisectoral Market Assessment: Companion Guide and Toolkit*: <https://www.unhcr.org/protection/operations/593e856e7/multi-sector-market-assessment-companion-guide-toolkit.html>
- UNHCR (2017) *Cash Feasibility and Response Analysis Toolkit* : <https://www.unhcr.org/5a8429317.pdf>
- MercyCorps, Save the Children, IRC (2016) *Labour Market Analysis in Humanitarian Contexts: A Practitioner's Guide* <http://www.cashlearning.org/resources/library/844-labour-market-analysis-in-humanitarian-contexts-a-practitioners-guide>
- Juilliard, H. (2018) *Minimum Standards for Market Analysis (MISMA)*. CaLP. <http://www.cashlearning.org/resources/library/1263-minimum-standard-for-market-analysis-misma>
- Austin, L, Chessex, S.(2013) *Minimum Requirements for Market Analysis in Emergencies*. CaLP. <http://www.cashlearning.org/2012-2014/minimum-requirements-for-market-analysis-in-emergencies>.

## 2. Toolkit for Cash-based Shelter Construction Programmes

### I. Overview of the Toolkit

The toolkit follows a similar methodology to other market analysis and cash feasibility tools, with the process broken down into three phases, as outlined below.

**Please note that the tools and questionnaires are designed to be adapted to different contexts, the needs of a given programme and the level of analysis required.**

	ACTIVITES	TOOLS
Preparatory Work	<ul style="list-style-type: none"> <li>• Definition of objectives and key questions for the study</li> <li>• Desk review of existing project and contextual information</li> </ul>	1A: Preliminary Information
	<ul style="list-style-type: none"> <li>• Identification of critical markets and market systems</li> <li>• Preliminary mapping of critical markets</li> </ul>	1B: Market Mapping
	<ul style="list-style-type: none"> <li>• Planning of data collection phase, including the depth and geographic scope of study.</li> </ul>	1C: Data Collection Planning
Data Collection	<pre> graph TD     CM((Community members))     MA((Market actors))     EA((External Actors))     CM --&gt; MA     CM --&gt; EA     MA --&gt; EA     </pre>	<b>2A:</b> Community members/ beneficiaries <b>2B:</b> Community Leaders <b>2C:</b> Seasonal calendar - community
		<b>3A:</b> Market Summary <b>3B:</b> Market Price Collection Form <b>3C:</b> Traders <b>3D:</b> Craftsmen <b>3E:</b> Seasonal calendar - market
		<b>4A:</b> Humanitarian organisations <b>4B:</b> Financial service providers <b>4C:</b> Comparison table- financial service providers
Programme Response Analysis	Programme Response Analysis	<b>5A:</b> Reporting template: results analysis <b>5B:</b> Decision tree – construction materials <b>5C:</b> Decision tree – labour market <b>5D:</b> Analysis of protection risks and benefits tool (ERC) <b>5E:</b> Analysis of protection risks and benefits table

## II. Phase 1: Preparatory Work

Before collecting any primary data, it is essential to gather and review information that is already available internally to the organisation and from secondary sources, to feed into the study and to plan the data collection phase.

Three tools are available in the toolkit to support this preparatory phase:

### 1A: Preliminary Information

### 1B: Market Mapping

### 1C: Data Collection Planning

Logistics, finance and shelter technicians should be involved in the preparatory work as they will have important knowledge of key markets, financial service providers, and the technical details of the construction materials and labour required.

#### *Tool 1A: Preliminary Information*

This tool aims to define both the programmatic and geographic scope of the analysis. This includes:

- defining the objectives of the study,
- estimating the quantity and type of materials and labour required in the response,
- identifying the geographic scope of the assessment,
- identifying and reviewing key secondary sources.

It should be possible to complete this with information from your needs assessment, and/or the Shelter and Cash Working Groups.

#### **Table 1: Objectives and Key Questions for the Study**

As discussed, a market analysis and cash feasibility study can be used to support a variety of programmatic decisions. As a first step, it is therefore essential to identify what the objective(s) of the study is, and the questions that you are hoping the study will answer. These will help to frame the study and ensure that you only collect and analyse information that will be relevant and will be used.

Examples of some key questions for shelter construction programmes are given below. These are not exhaustive but some or all of them may be relevant to your programme.

<b>Examples of Key Questions</b>
1. Which modality (or modalities) is the most appropriate for this intervention?
2. Does the market for construction materials have sufficient capacity and is sufficiently integrated to support a cash response?
3. Can the local labour market supply sufficient unqualified and qualified labour to meet the project's demand in the planned timeframe? Will it be able to respond to additional demand created by the project?
4. What contribution could beneficiary groups make to the construction?
5. Can construction materials be procured on the local market?
6. Is cash-for-work an appropriate intervention in this context?
7. What support does the construction materials market and/or labour market need to improve how it functions?
8. Which modality or programme approach will have the smallest environmental impact?

**Table 3: Examples of key questions for shelter construction programme.**



Once you have identified the key questions that you need answered, adapt the data collection tools accordingly to make sure that you only collect information that is relevant to your intervention and context.

### **Table 2: Shelter Needs in the Programme Area**

Complete this table with the demographic and geographic information of the planned zone of intervention, as well as the type of shelter response and planned or estimated number of beneficiary households in each targeted village/locality.

This information will be used on the next page to calculate the demand for labour and materials from the intervention, as well as to estimate the potential increase in demand from non-beneficiary households as a result of the intervention<sup>14</sup>. This has been calculated as the difference between the number of households who live in inadequate shelter, as identified by the needs assessment, and the number who will be targeted by the intervention. While it is impossible to calculate how much demand will be created by non-targeted households, this is a useful way of estimating and quantifying this demand.

This will enable you to assess the extent to which the market could respond to this. Monitoring during the programme will allow you to assess how much this demand has been realised so that adjustments to the programme design can be made accordingly, if demand from non-targeted households begins to exceed the market's capacity.

### **Table 3a: Bill of Quantities – Construction Materials**

This table should detail all the material requirements for the type of construction planned, so that you can quantify the market capacity required to support the response as well as the potential demand from other households. This information is given both as a total, and per locality/village so that the demand from individual villages can be assessed against the capacity of their local marketplace(s)

### **Table 3b: Bill of Quantities - Labour**

This table should detail all the labour requirements – both qualified and unqualified for the planned shelter intervention, per locality, allowing you to assess the market's capacity to respond.

### **Table 4: Market Presence in the Zone**

Detail the key markets that you know in the zone which are known and used by beneficiaries. Identify others that you already know supply construction materials. This will help to identify where the market assessment should start, and to define the geographic scope of the assessment. Additional markets, particularly supply markets, may be identified at a later stage and can be added to the assessment.

### **Table 5: Humanitarian Organisations in the Programme Area**

To avoid duplication of data collection, to triangulate information and to benefit from the lessons learnt from previous interventions, it is essential to set up meetings with other humanitarian organisations who operate in the area during the cash feasibility study. Complete Table 5 with information on these organisations, sourced from the Shelter or Cash Working Groups if required.

Please note that you should make use of relevant market analyses that have already been conducted by other organisations, in order to minimise the amount of information you need to collect, or to triangulate your data. However, be careful that the information contained within them is up-to-date. The dynamic nature of markets, particularly in volatile contexts, means that the situation can change in a relatively short period of

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<sup>14</sup> As discussed in the previous section, experience has shown that cash-based shelter programmes can generate interest and demand for shelter materials from community members who are not targeted by the intervention, which can distort markets if it is not taken into consideration

time. Data from previous assessments should therefore be triangulated and verified, and adjustments made for seasonal variations in the market.

### **Tool 1B: Preliminary Market Mapping**

As detailed in Section I, market mapping can help you to better understand how a market system functions and identify any disruptions or problems which are preventing it from doing so. It provides a detailed graphical representation of the different actors in the market chain and quantifying the trade between them, identifying the services, inputs and infrastructure required in the market system, and identifying the laws or norms which control or influence the market system.

#### **Identification of Critical Market Systems**

Several different market systems will be used during a shelter construction programme, including those for different construction materials and different forms of labour. However, because of the amount of data that you would need to complete a market systems map, it will not be possible, or necessary to map all of these. Instead, market mapping should only be used for the two most **critical markets**<sup>15</sup>. These are those which are either the most important for the success of the programme, or which are most likely to be negatively impacted by the programme.

Use the following criteria to identify a maximum of two markets which:

- Are **essential** to the response;
- There is expected to be a **significant increase in demand** as a result of your intervention when compared to the existing demand;
- Have a **long and/or complex market chain**, including those which include international suppliers;
- You already have **questions about the market's capacity** ;
- Already have a **significant demand from the wider population** (or where you expect an increase in this demand over the course of the project);
- For which a **market-based response may be feasible**;
- Were **affected by the crisis** (if relevant);
- Are particularly affected by **seasonal factors** which could affect your response.

Look back again at your bill of quantities. Using information that is already available to you<sup>16</sup> rank all the commodities and services according to the above criteria. Some of these may be considered part of the same market system (e.g. construction tools as they may have the same suppliers or sources) and can therefore be grouped together. For each commodity and service, assign a score from 1 to 5 to quantify the extent to which each meets the criteria (1 = it doesn't meet the criteria at all; 5 = it fully meets the criteria). The markets with the highest total score are your critical market systems.

This selection process will require a degree of individual judgement and knowledge of the specific programme and operational context from logistics, programme, cash and shelter staff.

An example of this ranking process is given below:

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<sup>15</sup> Note that you will nevertheless collect information on the price, quality and availability of all materials and labour required for the shelter construction, in order that you can adequately design your programme but you will not map other markets.

<sup>16</sup> Logistics staff and other organisations can be an important source of information here.

Market	Essential for the response	High demand from the intervention (compared to existing demand)	Questions about market capacity	Demand from wider population	Long/complex supply chain	TOTAL
Timber	5	5	4	4	4	27
Construction Tools	4	3	2	1	3	13
Carpentry	4	3	4	2	2	15
Adobe bricks	2	4	3	2	3	14

**Table 4: Example of Market Ranking Exercise.** Source: Adapted from CalP Market Analysis Training Tools, Module 3.

In this example, the two markets selected would be timber and carpentry.

### Preliminary Market Mapping

Complete a preliminary market system map for all your critical markets using the template in Tool 1B, with information that is already available to you, or your best estimates where necessary. This allows you to begin thinking about how the market system works and helps to identify the main market players. You will use the information collected from fieldwork to refine and complete this.

To start, plot on the blank template:

- All the key actors in the market chain (i.e. those responsible for buying and/or selling the commodity or service at different points) and the connections between them. Remember that actors in a labour market chain will be different from those in a commodity market chain.
- The number of actors who are active at each stage of the market chain (e.g. three wholesalers; 25 retailers).
- The volume of trade between different actors, identified by the weight of the arrow which connects them, and/or quantified at each stage of the market chain.
- The price of the goods/services at each stage of the market chain.
- The services, infrastructure and inputs required to support the market chain (e.g. storage, transport, labour, raw materials)
- Factors in the market environment (i.e. key laws, processes, cultural norms and other contextual factors that influence this particular market).
- Any disruptions in the market system which are preventing it from functioning well, and whether these are partial, critical or complete disruptions.

Information that is unknown at this stage should be marked with a question mark and should be completed with information from the data collection phase.

#### Key Resources – Market Mapping

EMMA's Online Market Mapping Tool:  
<https://www.emma-toolkit.org/market-system-mapping-tool>

Remember that logistics and finance teams should be included in this process as they may already have important information about the market environment and system and/or the legal or policy environment.

There is an online version of the market systems map template available from EMMA (see Key Resources box above).

### ***Tool 1C: Planning for Data Collection***

This tool should help with the planning of the data collection, specifically to help identify the depth of analysis required and feasible as well as to plan where to visit, and who to interview during the data collection.

**It is important to note that a cash feasibility study is a qualitative, not a quantitative exercise.** This means that instead of aiming to collect a representative sample of information, you are aiming to reach a point at which you have a 'good enough' understanding of the context and markets to confidently answer your key questions.

#### **1. Level of Analysis Required**

For some programmes, a light market analysis and cash feasibility study will suffice; for others a more in-depth exercise will be required. It is important to identify the depth of information required now so that you can use your resources effectively and adapt the data collection tools accordingly. Remember to leave enough time for the response analysis at the end of the process.

The depth of data collection and analysis required will depend on the following factors:

##### **1. Time and resource constraints**

Be realistic about how much time you have and the resources available to you to collect and analyse data. This will impact the number of marketplaces and communities you can visit, as well as the number of interviews and focus groups you can undertake while there.

##### **2. The stage of an emergency**

In the immediate aftermath of a crisis, an in-depth market analysis will not be possible. In the later stages or in early recovery contexts, there will be more time for an in-depth exercise.

##### **3. The volatility of the situation**

If there are security-related access constraints, it is unlikely that in-depth data collection will be possible. Consider what data is needed immediately, and what can be verified later. Minimal data collection in the planning phase should be balanced by more frequent monitoring during implementation. This will enable you to check any assumptions that you were forced to make and adjust your programme accordingly. It is important that there is enough flexibility built into the programme so that these adjustments can be made.

##### **4. The quality of information available**

If you have doubts about the quality of information that you will be able to collect, (for example, if your key informants are unreliable), do not waste time collecting a lot of information that you will not be able to use; instead, opt for a lighter approach and balance this with more frequent and in-depth monitoring.

##### **5. The risk that the planned intervention poses to the market**

The level of analysis should be proportional to the risk a programme poses to the market. This can be identified by several means:

- **The relative scale of the intervention compared to the existing market.** The larger the programme compared to the existing market, the greater the risk. Do not focus solely on the size

of your organisation's planned response but rather on the sum of all planned interventions in the relevant area.

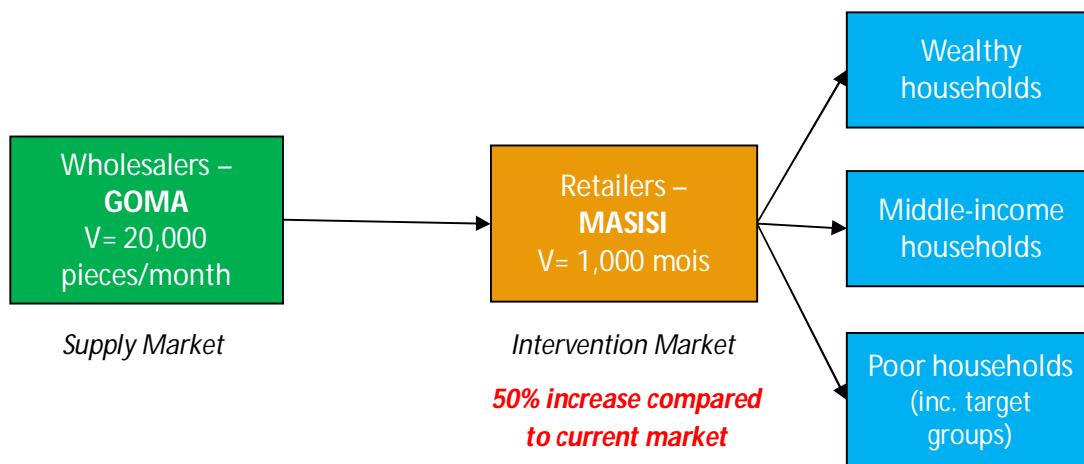
- **How well integrated the intervention markets are:** Less well-integrated markets will be more affected by any increase in demand from the planned intervention. As it will be more difficult for suppliers to respond quickly to changes in demand, there will be a greater risk of price inflation and stock shortages.

**As a basic principle, interventions are considered high risk if they will increase the total demand for given goods or services by more than 25% in urban areas and 10% in more remote and rural areas<sup>1718</sup>.**

However, the 'boom and bust' nature of shelter markets – and the fact that demand for shelter materials is not constant - may make it difficult to estimate the current market capacity. If it is not possible to do so, organisations should err on the side of caution and conduct a more in-depth analysis.

Consider the example below, of a market system for timber in North Kivu.

If the project requires 500 pieces of timber over the course of a month, this represents a 50% increase in demand, compared to the existing market in Masisi (the intervention market). This would therefore be considered as a high risk intervention.



**Figure 8: Calculating the risk of an intervention**

## 6. Identification of Marketplaces to Visit and Key Stakeholders

### Marketplaces

- Identify how many marketplaces you can reasonably visit during your data collection, taking into consideration the resources available to you and the depth of data collection required.
- The first priority for data collection will be your intervention markets, which are used by your target group. If you are unable to visit all of them, choose those that are representative.
- You will also need to visit their supply markets to understand their capacity to respond to the project's demand.

<sup>17</sup> The threshold is higher in urban areas because urban markets are more likely to be well integrated.

<sup>18</sup> Taken from CaLP's Minimum Requirements for Market Analysis in Emergencies.

- It may also be necessary to visit markets further up the market chain. You should continue until you reach those markets which are sufficiently large or integrated that you are sure they will not be affected by the response.

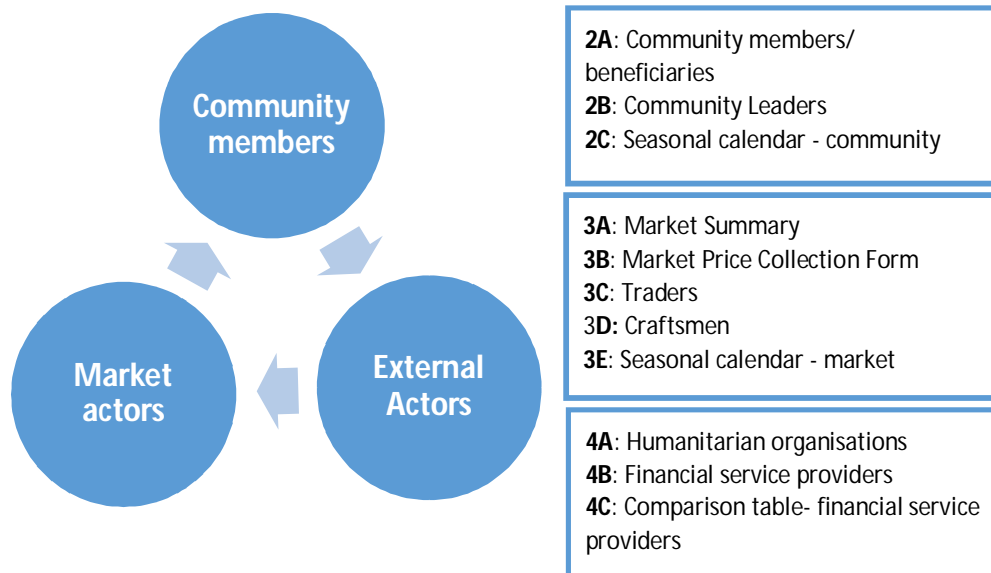
In the above example (Figure 8), you would include Goma in your data collection but would not go any further as the market is sufficiently large that the programme only represents 2.5% of the current market capacity.

### ***Key Stakeholders***

Aim to talk to a range of market actors in the market chain. These might include wholesalers, retailers, local traders, local artisans, trade associations, labour associations and different customers. In a labour market analysis, it will be necessary to talk to different enterprises who contract out, and produce labour such as training institutions, various employers and different clients. It will be necessary to talk to several actors in each of these categories in order to be able to triangulate information and understand the market's full capacity.

### III. Phase 2: Data Collection

Once the preparatory work is complete, the next stage is the primary data collection. This involves the collection of information from a variety of different sources and actors. These have been grouped into three categories, with their corresponding data collection tools, as below:



**Figure 9: Data Collection Process**

Remember that the tools are intended to be adapted to meet the needs of different programmes and different levels of analysis. If questions are not relevant to a given intervention or context, or if the information is already known, these should be removed from the questionnaires.

The data collection process is designed to be iterative and flexible. Therefore, assessment teams should decide how and in which order to collect information from the different actors. These decisions may be based on the degree of existing information available, the team's knowledge and experience of the area and the resources available. It may also be necessary to go back to key informants to verify or triangulate information during the data collection.

#### Key Considerations<sup>19</sup>

- **Remember that this is a qualitative, not a quantitative assessment** so you are not trying to conduct a certain number of interviews. Instead, it is only necessary to collect as much information as is necessary to build a **good enough** picture of the context and market to be able to confidently answer your key questions and identify potential programme responses.
- Data collection teams should include shelter technical specialists to ensure that the technical specifications and quality of materials meets the minimum standards required. Where this is not possible, data collection teams should be trained by shelter technical specialists so that they can accurately identify these. Photos are also an effective way of allowing technical specialists to verify the materials available in the marketplaces even if they do not participate in the data collection.
- It is crucial to have a mixed assessment team comprising both women and men and to ensure that different viewpoints can be captured. Male and female community members, leaders, craftsmen and

<sup>19</sup> Some information has been taken from CaLP's Minimum Requirements for Market Analysis

traders should be consulted wherever possible, as well as different demographic groups within a community.

- It may be useful for the data collection teams to take copies of Tools 1A, 1B and 1C with them for reference.
- Data should be reviewed, discussed and summarised by the assessment team at the end of each day in order to triangulate information from different sources, identify information gaps and plan subsequent fieldwork accordingly. Review your market maps alongside this. This will also make the final programme response analysis much easier to do as data will already have been preliminarily organised and analysed.
- If this exercise highlights contradictory information from different key informants, seek clarification from them where possible. Noting telephone numbers makes this follow-up much easier.

### Gender



Consulting both men and women will ensure that their different perspectives and knowledge are considered. For example, women may have limited access to certain markets for security or cultural reasons. Understanding the use of different natural resources in the community will also have a gendered dimension: men may have a better knowledge of how much water livestock use, while women may understand better how much is used for domestic purposes. It also ensures that the programme is adapted to local gender norms; for example, men and women may very different roles in housing construction and decisions about household spending. As cash-based responses place the decision –making about how to use their assistance within the household, this can affect intra-household dynamics and be a protection risk for women, if not sufficiently understood.

## Tool 2A – 2C: Community Actors

At a community level, assessment teams should conduct key informant interviews and focus group discussions with a range of different actors, using the following tools:

**Tool 2A: Community Members:** Focus Group Discussion (FGD) template with suggested questions.

**Tool 2B: Community Leaders:** Key Informant Interviews or Focus Group Discussions with suggested questions.

**Tool 2C: Seasonal Calendar: Community:** to be completed at the end of each FGD or interview, with information on trends over the last three years. In a focus group, try to build consensus around what they usually experience, noting down any key dissent.

These interviews will help to identify:

- Critical markets in the area which are frequently visited by targeted communities;
- Whether or not critical construction materials are locally available in sufficient quantity, of the right quality and at a reasonable price.
- Obstacles to accessing markets for target groups, including geographical, social and gender barriers.
- The community's use and knowledge of financial service providers including the availability of mobile phones and networks.
- How natural resources are managed in the area, their availability and who has access to them;
- Seasonal changes in the markets, including access, prices, and the availability of goods and services;
- The local availability of skilled and unskilled labour, and the seasonal changes which affect this, including peak periods of agricultural activity.



## Tool 3A – 3E: Market Actors

These tools allow teams to understand the capacity – and the potential capacity - of the local market and market systems to support the planned intervention. Information should be gathered through observation and trader visits, key informant interviews with traders and other market actors, using the following tools:

**Tool 3A: Market Overview:** To be completed through observation and/or interviews with a market representative. This provides useful information on the size and activity of a marketplace.

**Tool 3B: Market Price List:** This should be completed for all required construction materials. Information should be collected from three suppliers for each item. Be careful to note the quality of different stock and whether or not it complies with the required technical specification and quality requirements.

**Tool 3C: Market Traders:** Key Informant Interviews

**Tool 3D: Local Craftsmen:** Key Informant Interviews

**Tool 3E: Seasonal Calendar – Markets:** to be completed at the end of each interview with market traders and local craftsmen. As with the community seasonal calendars, ask for information on trends over the last three years, and note down any deviation from these.

These interviews will help assessment teams to:

- Understand the capacity of the market and market system to respond to the population's shelter needs;
- Collect information on the market system for the (maximum of two) identified critical markets;
- Identify barriers limiting the functionality of the market;
- Identify support required by traders to increase their capacity;
- Understand the local labour market, its capacity and whether or not there is sufficient unqualified and qualified labour to support the planned intervention.
- Understand seasonal factors affecting the functionality of the market as well as the availability and price of construction materials or labour.
- Identify how, and from where, traders source their materials and whether or not their sources are sustainable.

## Key Considerations

- Remember, assessment teams should interview a range of market actors of different sizes in each marketplace. Teams should interview as many traders as reasonably possible and necessary to understand their combined capacity.
- Decisions about how many interviews will be required will depend on time and resources available as well as the number of different actors present in a marketplace. For example, if there are only two wholesalers in a given market, interviews with both should be organised as the volume of trade of each, and the potential for bottlenecks and/or monopolies will be significant. By contrast, if there are 50 small retailers in a marketplace, it will not be possible to talk to everyone; instead, talk to a sample of retailers of different sizes, and use the information provided to estimate their combined capacity.



### Seasonal Calendars

Remember, when gathering information for the seasonal calendar, either in the community or in the market (Tool 2C and Tool 3E below), ask interviewees for trends over **the last three years**, and about any deviations from these trends. This will ensure that it shows seasonal trends rather than a snapshot of one year, which may not be representative of what 'normally' happens.

- To gather general information, a market representative can be a useful source of information.
- A camera can be a useful way of capturing the goods available on the market, the quality of construction materials available and the state of the market's infrastructure.
- Traders may be reluctant to discuss their business in front of clients, during peak business hours, or in front of other traders. Ensure therefore that interviews are conducted in an appropriate location and at a time which will not interfere with their trade.
- Be aware that traders may have a vested interest in overstating their capacity, if they think it will help their business. Interviewers should make the objectives of the market assessment clear, underline that they are not responsible for buying from or contracting suppliers, and crosscheck information with information collected from other traders and with their own observations to ensure that their responses are reasonable and consistent.
- Remember that the boom and bust nature of shelter markets means that demand is not stable or constant. Trader capacity may not therefore be clearly reflected in their stock levels on the day of your visit. More emphasis may therefore need to be placed on trying to understand their potential to increase their capacity than in other sectors.
- Remember also that some key market actors, such as carpenters and other craftsmen, may not be operate out of formal marketplaces. Teams should therefore make sure to wider their assessment to include these.

### **Tool 4A – 4C: External Actors**

Other external actors are an important source of contextual information on regulatory and legal issues concerning the environment, labour and trade, information on financial service providers to help choose of a delivery modality and mechanism, and on previous interventions in the region, which may have important lessons for the design of this programme. This information should be collected with the following tools:

**Tool 4A: Humanitarian Organisations:** key informant interviews with organisations who have cash or shelter experience in the area.

**Tool 4B: Financial Service Providers:** key informant interviews to ascertain their current and potential capacity - and willingness - to support any cash-based intervention in the area. This information may already be available from secondary sources including other humanitarian organisations and the regional or national Cash Working Group.

**Tool 4C: Comparison Table of Financial Service Providers:** This table is designed to assist with the comparison of services offered by different companies.

The aim of these tools is to:

- Ensure that the proposed programme complements and is coordinated with existing or planned cash and/or shelter and/or market-based programming in the area.
- Identify lessons learnt from previous cash and shelter programmes in the area which are relevant to the planned intervention.
- Understand the local and national regulatory framework and laws which will impact the planned programme, including those related to labour and trade as well as the management and use of the environment and natural resources.
- Identify the capacity of different financial service providers to support the intervention;

## Key Considerations

- If an implementing organisation has limited prior knowledge of the planned programme area, it may be useful to set up interviews with other humanitarian organisations at the start of the data collecting phase. This will provide a sound base of local contextual knowledge, including of local marketplaces.
- Where possible, plan interviews with financial service providers who are already present in the proposed area of intervention and who have prior experience of humanitarian organisations. If none exists, it will be necessary to identify any who may be ready to expand their coverage to include the programme area. Use secondary information on financial service providers from other organisations, or the Cash Working Group, where it's available to avoid duplicating work.
- When collecting information from financial service providers, experience has shown that it is more effective to invite them to your office for a meeting, rather than visiting their premises. This will help to identify you as a serious potential client, ensure that you meet the most appropriate person at the most appropriate level, and will give you time and space to discuss your needs in depth.

## IV. Phase 3: Programme Response Analysis

The final phase of the feasibility study is the programme response analysis and should be completed once the assessment team has collected sufficient information to have a 'good enough' understanding of the context and markets to be able to answer the key questions identified at the start of the process. Once again, what is considered 'good enough' is subjective and will depend on the depth of the assessment.

This analysis can take anywhere between half and a full day, depending on the scope of your study, the level of analysis required and the amount of preliminary data synthesis and analysis that the assessment team was able to do during data collection. Logistics and finance staff, as well as the programme staff, should be involved in this exercise.

The tools to support this process are:

**5A: Report Template – Data Analysis and Synthesis:**

**5B: Decision Tree – Construction Materials:** to guide decision-making on the modality to use for the distribution of materials

**5C: Decision Tree – Labour:** to guide decision-making on the use of unskilled and skilled labour in the construction process.

**5D: Protection Risks and Benefits Analysis Tool (developed under the ECHO-funded ERC project):** to identify the possible risks and benefits associated with cash transfer programming.

**5E: Template: Protection Risk Analysis Table:** under each of the headings, identify the risks associated with your programme and different modalities, their potential impact and likelihood and possible mitigation strategies. Make sure that these mitigation strategies are feasible.

The aim of the programme response analysis is to identify the possible programme responses for the shelter intervention, on the basis of the market and contextual information that you have collected. During this process, make use of all the data available to you from the data collection, secondary sources and your risk analysis.

As a starting point, complete or update the market maps with the new information that you have collected. Then identify the most appropriate response option for each locality or village, using decision trees in Tools 5B and 5C to support this. Consider completing a table such as the one below:

Locality / Village	Response Options: Construction Materials	Response options: Unskilled and Skilled Labour	Timing and other details	Complementary Activities inc. market-based interventions	Risks /Assumptions
Endrea	<b>Cash transfer:</b> timber <b>In-kind distribution:</b> padlocks, nails <b>Beneficiary contribution:</b> straw and mud	<b>Unskilled:</b> self-help <b>Skilled:</b> carpenters available in village – cash transfer to beneficiaries to pay them.	Construction needs to be between May and July to avoid harvest and ensure materials available	Training for carpenters to improve quality of work; grant to carpenters to help increase capacity to meet demand.	Funding available between May and June. Food distribution by WFP continues during programme – otherwise cash-for-work may be necessary.

**Table 5: Response Analysis Process**

As the capacity of different intervention markets, the target groups' access to them and other contextual factors will vary for each locality, there may not be one response option that is suitable for the whole programme area.

For a shelter construction programme, you will likely need to decide:

- The choice of modality for the distribution of construction materials;
- How unskilled and skilled labour will be included in the project, including the role of beneficiaries in providing the former;
- Possible market-support interventions and/or other complementary activities;

## Construction Materials

Consider whether one modality, or a mixture of modalities is most appropriate, and whether or not different villages or localities require different approaches. For a shelter construction programme, some materials may be provided by the beneficiaries themselves.

The choice of modality or modalities should be based on: the market analysis, the environmental analysis, the reported preferences of targeted communities and their access to the market, the experiences of other organisations in the area, and the identified risks and benefits of different modalities (see Table 1).

### Key Questions

1. Can the intervention markets and the local environment provide the materials required for the programme in sufficient quantity during the planned construction period? Can traders easily meet this increase in demand without causing price inflation or affecting availability?
2. Can the interventions markets supply the materials at the right quality? Remember that quality is of central importance in shelter programmes because of the heightened risk of unsafe, insecure or inadequate housing from poor quality materials.
3. If traders do not currently stock the required construction materials, are traders interested in, and able to start doing so?
4. Are the intervention markets well-integrated (i.e. are prices in the intervention markets similar to, and do they change with, prices in the supply markets)?
5. Are intervention markets competitive? (i.e. is there a wide range of retailers selling similar goods or only one or two? If the latter, how much do they control the market?)
6. Can target groups easily access the markets or other locations to buy construction materials? What are the protection concerns linked to this? Does this change at different period of the year?
7. How does market capacity and access change during different periods of the year?
8. Will the market be able to meet any further increase in demand from other community members, as a result of the project?
9. If the materials are not locally available, would minor changes in the shelter design resolve this issue, while remaining in line with local construction norms and quality standards?
10. Is the policy context able to govern supply-chain standards and ensure that goods and materials are sustainably sourced? If not, consider how you might control this – either through direct procurement or by working with local suppliers.
11. If given cash, will beneficiaries turn to cheaper, often more unsustainable, alternatives in order to save money? If so, can you increase the value of the cash transfer to account for this, or can you control the quality of materials bought through conditionality, or other means?
12. How do local communities currently use the natural resources that will be required for construction and in what quantity? Is there sufficient available to also meet the needs of the project?

13. Do opportunities to source goods locally or collect local materials present a risk to how beneficiaries and the wider community interact with, and make use of, their environment? If so, consider changing your programme design, including to include an environmental component in order to offset the materials used in the shelter construction and improve local environmental management and resource use.
14. What type of market-support interventions would help to address any issues with capacity or quality of goods, or support the market to better function in the short, medium or long-term? Use your market map to identify these.
15. Would beneficiaries prefer to receive assistance for construction materials in-kind, vouchers or in cash? What do experiences from other organisations tell you about their relative success and challenges in the context?
16. What are the specific protection risks and benefits of different modalities in the context?

## Labour

There are several options for recruiting and using skilled and unskilled labour in a shelter construction programme. Table 6 provides an overview of these. Whichever approach is chosen, target groups should be central to the decision-making, implementation and construction process.

Skilled labour, such as engineers, carpenters or masons, may be required for the construction itself and/or to make various components of the planned shelters. They should be recruited locally where possible in order to support the local labour market and local livelihoods.

Unskilled labour can come from beneficiary households, the local community or elsewhere. Where possible, unskilled labour should come from the household as this reflects traditional building practices in DRC. However, this will depend on the vulnerability, capacity and availability of the target population or individual households.

Whichever approach is selected, responsibility for quality control rests with the implementing organisation. Therefore, appropriate and timely technical support, training and supervision is essential throughout the planning and construction process.

	Type of labour	Construction activities	Production activities (e.g. making doors and windows)	Details
Beneficiary or owner-driven	Skilled	Identified, and paid for, by the beneficiary household	Components bought by beneficiaries directly from the craftsman/men.	Cash and voucher support provided to support households, as required.  Support can also be provided to the craftsman to increase their capacity or improve quality.
	Unskilled	<p><b>Self-help:</b> beneficiaries contribute their own labour without compensation to build their own house.</p> <p><b>Community labour:</b> communities work together to construct shelters without compensation, using existing solidarity mechanisms where possible.</p> <p><b>Owner/Beneficiary-paid labour:</b> beneficiaries employ and pay for their own unskilled labour, for example, when they do not have the capacity to do the work themselves.</p>	Not applicable	<p>Self-help should be considered where possible as it reflects closely traditional building methods in rural DRC, but requires time and continual supervision. Materials, technical support and tools provided by the organisation as required.</p> <p>For community labour, organisations should take into consideration pre-existing solidarity mechanisms to derive the maximum community involvement, and to avoid disrupting their essential nature, which is often volunteer-based. Materials, technical support and tools provided by the organisation as required, through cash or in-kind support.</p> <p>Beneficiary-paid labour may be an option for households who do not have the capacity to build their own house. Materials, technical support and tools provided by the organisation as required. Advantages over direct labour are that it increases beneficiary agency in their shelter construction; and gives households access to cash, part of which they may be able to save or use to meet other needs.</p>
Organisation-driven	Skilled	<b>Contracted works:</b> contracted directly, and paid for, by the organisation	<b>Contracted works:</b> contracted directly, and paid for, by the organisation. Components distributed to beneficiary families by the implementing organisation	Should be considered when cash transfers are not appropriate in the context, when the local labour market cannot supply the skills required or for quality control reasons.
	Unskilled	<p><b>Direct labour:</b> organisations recruit and manage unskilled labour from the community directly to work on the construction.</p> <p><b>Cash-for-Work:</b> organisations pay beneficiaries for the labour they provide to the project.</p>	Not applicable	<p>Direct labour can be useful when cash-based programming or self-help is not appropriate, and for vulnerable families who do not have the capacity to work. This is helpful for retaining quality control but reduces the involvement of target households and limits their access to cash.</p> <p>Cash-for-work is used when the programme also has an objective of also meeting other non-shelter-related basic needs, using cash to meet these.</p>

**Table 6: Labour options in shelter construction programmes** – adapted from DG ECHO (2018) Shelter and Settlements, Thematic Policy Document. See Annex 2: Glossary for more information on these terms.

## Key Questions

1. Is the required quantity of skilled labour available in the targeted communities or locally during the period required?
2. Do craftsmen have the capacity to produce work of the quality, and in the quantity that you require? If not, what type of market-based support, in the form of training, grants etc. would help to address this? Is there sufficient demand for these skills after the end of the programme to make such an investment worthwhile?
3. How do seasonal factors affect the availability of skilled and unskilled? How might this affect your programme, or the timing of it? Does your planned construction period coincide with peaks in agricultural activity?
4. Are beneficiaries able to provide the unskilled labour necessary for the construction without impacting their livelihoods?
5. Is community labour or self-help an option, or is a cash-for-work project more suitable? If so, how will households who do not have the capacity to work be included in the project?



### Case Study

*In one example, the construction phase of a shelter intervention coincided with a period of peak agricultural activity. However, because the cash transfer was valued by the community, many people abandoned their fields in order to participate. This resulted in a drop in manioc production, a drop in the availability of manioc on the local market. As a result, there was a spike in prices that affected the food security of the area.*

## Complementary Activities

The distribution of in-kind, voucher or cash assistance for construction materials and labour needs to be accompanied by the following complementary activities, in order to ensure that targeted households have access to safe, secure and adequate housing, including security of tenure, at the end of the programme.

This can include, among others:

### 1. Technical Support and Supervision

This includes training, monitoring and on-the-job support to beneficiaries and communities to ensure the quality of construction.

### 2. Housing, Land and Property support

This can help to ensure that targeted households have access to land for their house and can live securely there. This needs to be officially recognised by traditional and/or state structures.

### 3. Environmental activities

Cash-based shelter construction programmes can have a more severe impact on the local environment than in-kind distributions (see p.7). Complementary environmental activities are therefore essential to mitigate the environmental impact of the shelter programme and/or to improve the local management of natural resources.

Cash-based programmes also offer opportunities to mainstream the environment into shelter programmes, including targeted environmental activities, for example, where attendance at training and environmental awareness sessions is a condition of receiving a cash transfer.



Such activities can also be used to increase community knowledge about the local environment and environmental protection, improve the management of local resources, increase their awareness of sustainable and durable materials, and to shape how people use, and interact, with their local environment. Community environmental projects, including but not limited to activities such as tree-planting, can also be implemented through community cash-for-work schemes.



### Key Resources – Cash and the Environment

- Ochoa, K.B., Harrison, L. Lyon, N and Nordentoft, M. (2018) *Looking Through an Environmental Lens: implications and opportunities for cash transfer programming in humanitarian response.*
- Shelter Cluster (2018): *Looking Through an Environmental Lens: Case Study.*
- Global Shelter Cluster: *Cash and the Environment (online information portal):*  
<https://www.sheltercluster.org/shelter-and-cash-working-group/library/cash-and-environment>

## 4. Market-based interventions

These help to rejuvenate the local construction material or labour markets, to ensure that the local markets can cope with and respond to the increased demand, from either targeted households or the wider community and to increase access to construction materials in the wider population. These should be designed to ensure that they do not exacerbate existing power dynamics in local marketplaces, by targeting certain suppliers and actors for assistance, to the detriment of others.

# PROGRAMME DESIGN

# PROGRAMME DESIGN

This section provides guidance on how to design a cash-based intervention for a shelter construction programme. This assumes that the results of the response analysis from the previous section showed that a cash-based intervention was both feasible and appropriate for all or part of the response.

Decisions include:

- Who should be targeted for assistance and who within a household should be registered as a primary beneficiary?
- Which modality/modalities are most appropriate for the programme?
- How should unqualified and qualified labour be identified, recruited and paid?
- Are conditions or restrictions necessary and if so, what should they be?
- When and with what frequency should cash or voucher assistance be provided and at what value?
- Which complementary activities should accompany the cash and voucher assistance?

These decisions should be based on your programme response analysis, your understanding of protection risks in the area, beneficiary preferences and your programme objectives. The programme should also take into consideration and use local skills and capacity, including those of the target population as far as possible.

## 1. Targeting

Organisations should use DRC Shelter Working Group's ScoreCard to target households based on their shelter vulnerability. Targeting for cash-based responses should be no different from other modalities, but there are a few key points to consider:

- By its nature, cash and voucher assistance can only address the financial barriers that households face in meeting their shelter and housing needs. As a result, it is essential that targeting for cash-based responses uses socio-economic criteria, alongside a shelter vulnerability assessment. The latter should also include an assessment of land access issues.
- Households should be consulted about who should be targeted as primary beneficiary within the household, as the individual circumstances of households will vary and may dictate their preferences. Often, it is assumed that targeting the woman will automatically increase her decision-making power over how money is spent but evidence for this is limited<sup>20</sup>. The decision should also be based on a protection and gender analysis as there may be risks involved in registering the woman as primary beneficiary. In shelter programmes, primary beneficiary selection should also consider local cultures to determine who has responsibility for different stages of construction within a household or community.

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<sup>20</sup> Bailey, S., Bonilla, J., Carson, K., Kiggundu, G. Morey, M., Nillesen, E. and Ring H. *Cash transfers and vouchers for conflict-affected households in the Democratic Republic of Congo: evidence from UNICEF's ARCC II programme*



### Case Studies - Targeting

*In late 2018, one shelter partner in DRC reported that they had seen a slight increase in domestic violence because women had been targeted for assistance and therefore wanted to be involved in decisions about how the money was spent, against the wishes of some husbands.*

*Separately, as part of UNICEF's ARCC II's multipurpose cash programme, Solidarités International randomly varied the gender of the registered recipient to examine how it affected spending and outcomes, including allowing some households to choose who received the money. This had some impact on expenditure but didn't affect the programme outcomes. Solidarités did find that in 46% of households where the husband was registered as the primary recipient, his wife collected the transfer. This suggests that gender dynamics are difficult to influence through the registration of transfer recipient and questions the assumption that registering the woman will automatically lead to improved outcomes. Instead, the study concludes that it would be better to allow the household to choose who receives the transfer as it offers them greater flexibility.*

## 2. Transfer Value

The total transfer value should be based on the expected local cost of the materials and labour to be covered by the assistance. This should take into consideration the timing of the planned programme and any seasonal price variations which may affect it. As far as possible, this should be adapted to different intervention markets so that all beneficiaries have the same purchasing power, and sufficient funds to buy materials and/or recruit labour in their local market.

In addition:

- Take into consideration the contributions that you expect beneficiaries to be able to make, in terms of materials, labour or money.
- Coordinate carefully with other organisations to align how the transfer value is calculated to avoid conflict between different communities as a result of significantly different transfer values.
- If you are using a cash-for-work approach, the daily rate should be set so that it is:
  - a) Slightly below local unskilled labour rates so that people are not encouraged to give up existing livelihood opportunities to participate in the programme.
  - b) Set at a rate that enables them to meet their essential needs.
  - c) In line with rates paid by other humanitarian organisations in the area.

## 3. Transfer Frequency and Timing

As well as the total transfer value, it is necessary to decide how many transfers will be provided, how much will be provided in each transfer and when they will be distributed.

### Frequency

Multiple transfers can be a means to:

- Reduce security risks related to carrying and transporting large amounts of cash, for both beneficiaries and the implementing organisation.

- Impose conditions on beneficiary households, specifically when the condition is linked to the distribution of the next transfer (e.g. that construction has reached a certain stage, that target households have collected a certain quantity of materials). These can help to control the quality or progress of construction and ensure that assistance is spent on shelter objectives.

However, the cost to an organisation of providing multiple transfers will be higher than for a single transfer, as there will be related logistics and staff costs, as well as financial service provider fees. Depending on the delivery mechanism used, multiple transfers may also have a higher opportunity cost for beneficiaries than a single transfer as going to collect their assistance may take time away from other tasks or livelihood activities.

## Timing

The timing of cash or voucher transfer(s) should be aligned with the construction plan to ensure that beneficiaries receive cash or vouchers when they need it to progress with the construction. The value of each transfer should be calculated according to the materials or labour required to complete the subsequent phase.

The timing of transfers and the planned construction period should take into consideration their existing activities and responsibilities to minimise interruptions to their livelihoods. If beneficiaries have to travel to a distribution site or marketplace to collect their assistance, this should be arranged around market days or their existing movements to reduce security risks and minimise their opportunity cost.

If there are other humanitarian organisations operating in the area, distributions should also be coordinated accordingly to avoid confusion and to ensure that beneficiaries can easily access all the assistance due to them.

## 4. Conditions and Restrictions

In a construction programme - where the quality of construction is essential to ensuring adequate, safe and secure housing - conditions (or restrictions, through the use of vouchers) can help to control and guide the construction process.

In DRC, multiple tranches of assistance have often been used as a condition, with the receipt of a subsequent tranche dependent on the completion of the previous construction phase to an acceptable standard. They have also been used successfully to ensure that beneficiaries complete construction within the required time period. Elsewhere, they have been used to ensure that targeted households attend training on improved construction techniques, or that they produce the required quantity of bricks for their shelter.

It is important to allocate adequate time and resources to explaining to beneficiaries what conditions are attached to the assistance, what they will receive, how, when and why. This is particularly important in more complex programmes when they are receiving multiple tranches of assistance, with different conditions attached.

Using conditions will also require that enough staff and resources are available to check that beneficiaries have met the conditions before the transfer is distributed, and to follow up with beneficiaries in case they have not.

## 5. Delivery Mechanisms

### Selecting a Delivery Mechanism

Cash and voucher assistance can be distributed using a variety of delivery mechanisms, including:

- Physical cash distributions, organised by the organisation;
- Physical cash distributions, by a third-party provider, such as a bank, financial agent or trader;
- Mobile money;
- Prepaid cards;
- Bank transfer;
- Cheque;
- Electronic voucher
- Paper voucher.

The selection of a delivery mechanism for cash transfer programming should be done on the basis of:

- the context and security situation;
- the infrastructure and service providers available in, or willing to expand into, the programme area;
- the capacity of different providers to deliver the services required;
- the set-up costs and requirements, including hardware, bank accounts, telephones etc.
- the documentation and identification requirements of different service providers to access their services
- beneficiary acceptance and ease with different mechanisms;
- protection and security concerns for beneficiaries, including data protection mechanisms;
- cost-effectiveness;
- time required and resources needed to set up the transfer and train beneficiaries;
- programme objectives (such as financial inclusion), monitoring and reporting requirements.

This information should be collected during meetings with service providers during the cash feasibility study. Information and lessons learnt from other organisations or from the Cash Working Group on their reliability, flexibility, capacity and their willingness to adhere to humanitarian principles.

Some of the advantages and disadvantages of different mechanisms are laid out in the table below:

	<b>Physical cash, by service provider</b>	<b>Electronic cash, by service provider</b>	<b>Physical cash, by organisation</b>
<b>Advantages</b>	<ul style="list-style-type: none"> <li>• Mitigates risk to implementing organisation of transporting and handling cash;</li> <li>• Can increase geographic scope and/or number of participants reached;</li> <li>• Can mitigate corruption by separating duties;</li> <li>• May be convenient for participants if providers are located in common marketplaces.</li> </ul>	<ul style="list-style-type: none"> <li>• Mitigates risk to implementing organisation of transporting and handling cash;</li> <li>• Anonymity of e-cash mechanisms can mitigate risks for participants*;</li> <li>• Participants can access cash on their own schedule;</li> <li>• Can mitigate corruption and diversion of funds: provides a digital trail of funds;</li> <li>• Can provide real-time data monitoring*;</li> <li>• May be linked to larger financial inclusion goals;</li> <li>• Can increase scale.</li> </ul>	<ul style="list-style-type: none"> <li>• Always an option, provided security allows;</li> <li>• No service fee payments to service provider;</li> <li>• Eliminates risks associated with working with an unknown service provider.</li> </ul>

<b>Disadvantages</b>	<ul style="list-style-type: none"> <li>• May be expensive;</li> <li>• Options in target area may be limited or non-existent.</li> </ul>	<ul style="list-style-type: none"> <li>• Often the most expensive option, unless programme will deliver multiple tranches to the same group;</li> <li>• Often takes the longest to set up;</li> <li>• Limited network coverage or nascent mobile network operating environment may impact quality of service or coverage;</li> <li>• If technology is new to participants, requires significant training and monitoring;</li> <li>• Illiteracy and unease with technology can open beneficiaries up to fraud.</li> </ul>	<ul style="list-style-type: none"> <li>• Implementing organisation bears all the risks associated with disbursing cash;</li> <li>• Increases risk of fraud or diversion: without third party, checks and balances are reduced;</li> <li>• Places a significant burden on implementing organisation's staff;</li> <li>• High administrative costs for finance and programme teams;</li> <li>• Limited opportunity for reaching scale.</li> </ul>
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**Table 7: Advantages and disadvantages of delivery mechanisms.** Source: MercyCorps (2017) *Cash Transfer Implementation Guide*

\*This depends on the electronic transfer mechanism used

In 2018, 67% of all transfers in DRC were delivered via physical cash distributions by the implementing organisation. Other mechanisms used were paper vouchers (12%), physical cash distribution by a third-party provider (11%), electronic vouchers (6%) and mobile money (3%)<sup>21</sup>.

When selecting a delivery mechanism, it is important to remember that using a private sector organisation can have negative impacts on the beneficiaries' experience. Private sector companies have different priorities and objectives to humanitarian organisations, and are not bound by humanitarian principles. Financial service providers, their agents and staff are likely to have significant interaction with beneficiaries and therefore, need to communicate with them in an appropriate and accessible manner.

There is also a risk of agents exploiting vulnerable beneficiaries when they arrive to receive their cash. For example, past experience in mobile money programmes have shown that beneficiaries who cannot read, have forgotten their pin or do not understand the system have shared their pin with agents to access their money, and to know how much money is available to them. This leaves them open to exploitation. Regular training on humanitarian principles, and clear contractual obligations and penalties for the third-party provider are essential. This should be complemented by regular monitoring and supervision, communication with beneficiaries and a robust complaints process, managed by the humanitarian organisation<sup>22</sup>.

## Data Protection

Robust data protection systems are required in any humanitarian programme but cash transfer programmes present a specific risk, especially when a third party financial service provider is involved, as large quantities

<sup>21</sup> DRC Cash Working Group – Matrice 4W Analyse 2018:

<https://docs.google.com/spreadsheets/d/1lyX5rN0yMbQKsyUGMAZxROUa2bRNW9cE3gRSaCTH8mg/edit?usp=sharing>

<sup>22</sup> Financial service providers may also have their own complaints and information line, particularly to deal with technical issues. It is therefore important to work with the financial service provider to ensure that beneficiaries understand where to go for different issues and to minimize the confusion between different lines.

of personal data will be transferred between the humanitarian organisation and the third party.

Electronic payment mechanisms exacerbate data protection issues because of the ease and speed with which personal information can be shared and accessed. Decisions about which delivery mechanism and which financial service provider to use should therefore take into consideration their relative data protection risks and benefits.

Beneficiaries should be consulted and informed about how their data will be used and stored. Getting Informed consent to use and store their data can be very they will not receive assistance without giving their consent, particularly if no alternative mechanism is presented to them. It is therefore important to consider how this information is presented and what is asked of them.

To ensure that data is protected and is only accessible to those who need it, robust systems and procedures for saving, sharing, managing and deleting this data should be agreed internally and with any third party provider, and set up before the start of the programme.

See the Key Resource – Data Protection information box for more resources on this.

### Key Resources – Data Protection

- CaLP (2013) *Protecting Beneficiary Privacy: Principles and operational standards for the secure use of personal data in cash and e-transfer programmes*: <http://www.cashlearning.org/resources/library/389-protecting-beneficiary-privacy-principles-and-operational-standards-for-the-secure-use-of-personal-data-in-cash-and-e-transfer-programmes>
- ELAN (2018): *A data starter kit for humanitarian field staff*: <http://elan.cashlearning.org/>
- ICRC (2017) *Handbook on Data Protection in Humanitarian Action*: <https://www.icrc.org/en/publication/handbook-data-protection-humanitarian-action>

### Key Resources – Programme Design and Implementation

- MercyCorps (2017) *The Cash Transfer Implementation Guide* [www.mercycorps.org/research/cash-transfer-implementation-guide](http://www.mercycorps.org/research/cash-transfer-implementation-guide)
- ELAN (2015) *Financial Services Primer for Humanitarians*: <http://www.cashlearning.org/resources/library/726-financial-services-primer-for-humanitarians>
- ELAN (2018) *The Delivery Guide – Scoping the Humanitarian Payments Landscape*: <http://www.cashlearning.org/downloads/mpgtoolkit/delivery-guide-final.pdf>
- MercyCorps (2015) *E-transfer Implementation Guide*:  
English: <http://www.cashlearning.org/resources/library/650-e-transfer-implementation-guide>  
French: <http://www.cashlearning.org/resources/library/700--guide-de-mise-en-uvre-de-transfert>
- CaLP (2011) *Voucher Fairs: A Quick Delivery Guide* <http://www.cashlearning.org/resources/library/217-voucher-fairs-a-quick-delivery-guide-booklet-version>
- MercyCorps (2015) *Voucher and Fair Implementation Guide* <http://www.cashlearning.org/resources/library/751-voucher-and-fair-implementation-guide>
- MercyCorps (2007) *Guide to Cash-for-Work Programming*: <http://www.cashlearning.org/resources/library/446-guide-to-cash-for-work-programming>



# MONITORING AND EVALUATION

# MONITORING AND EVALUATION

The dynamic nature of markets means that rigorous market monitoring, alongside post distribution monitoring, is required in cash transfer programmes. Regular monitoring, both of the assistance received and of the market allows implementing organisations to:

- Find out whether or not the findings from the initial market analysis are still valid, and therefore whether or not the chosen modality is still appropriate;
- Identify issues with the programme design, transfer value, mechanism and modality, financial service providers, and any unexpected negative impacts on the local market, and labour market, the community or the environment;
- Identify whether or not the assistance was received and is being used as expected, how it is being used and the extent to which programme objectives are on track
- Evaluate the extent to which the programme met its objectives, and its impact – negative or positive - on the local market and economy, the local community, the environment, among others.

**Market and Post Distribution Monitoring should never replace regular technical supervision and monitoring of construction activities.**

This section provides guidance on planning and designing monitoring activities for cash-based shelter programmes, with a focus on market monitoring. Tools 6A – 6D provide templates and recommended questions to guide this process and which can be adapted to specific shelter interventions.

**Tool 6A: Post-Distribution Monitoring (PDMs) – Questionnaire**

**Tool 6B: PDM – Focus Group Discussion template**

**Tool 6C: Monthly market monitoring**

**Tool 6D: Final Evaluation Framework**

These should always be combined with regular technical supervision of shelter construction, and robust complaints and feedback mechanisms, which should be made available and accessible to market actors and the wider population as well as targeted households and communities.

## 1. Post Distribution Monitoring (PDM)

Post distribution monitoring should be conducted after every cash transfer or voucher distribution. It provides valuable information about beneficiaries' understanding of the programme, how well a distribution was organised, how beneficiaries have used the transfer and helps to identify issues for further follow-up. It should be conducted once beneficiaries have had time to spend their money, but sufficiently close to the distribution that they are still able to provide accurate feedback on it. For shelter construction programme, it is also important that this be aligned with the expected construction activities or phases.

PDM questionnaires (Tool 6A) should be administered to a randomly selected statistically significant sample of the beneficiary population. Focus group discussions (Tool 6B) can also provide useful qualitative information to complement the household questionnaire.

## 2. Market Monitoring<sup>23</sup>

As markets are constantly changing, and as the scale of many humanitarian shelter programmes can have a significant impact on market dynamics, regular market monitoring is essential. This is true of in-kind, as well as cash and voucher assistance. This will not only help to ensure that the programme design remains appropriate for a given market, but also helps to identify any unintended negative consequences of the programme on the market so that contingency plans can be initiated accordingly. The rest of this section details how to plan, design and conduct market monitoring.

### I. Designing a Market Monitoring Plan

Market monitoring should be conducted once a month, at a minimum but the exact frequency and scale of monitoring will depend on:

- The **volatility of the situation**: in a volatile environment, or at the start of a response, weekly market monitoring is more appropriate as the markets and context are less stable.
- The **depth of the initial market analysis**: where it was only possible to conduct a limited market analysis, more frequent monitoring will be needed to balance this out.
- The **nature** of the intervention and its **objectives**;
- The **risk that the programme presents to the market**.

Market monitoring should be conducted for in-kind, cash and voucher programmes as all three interact with markets and can have a negative impact on them. As a reminder, in-kind distributions can lower the price of key construction materials when they cause demand for them to fall on the local market. By contrast, cash and voucher assistance increase demand from beneficiaries for certain goods, and therefore push up prices and cause stock ruptures.

Voucher programmes can also distort the markets: beneficiaries may only be able to buy certain goods or may be required to buy only from certain traders, which can distort the power dynamics of a market and give traders more power to increase prices.

#### Identifying the Risk Level of a Programme

**More in-depth or frequent monitoring will be required if a programme or context is considered high risk<sup>24</sup>.**

This means that the programme having a negative consequence on the market, or the market not having the capacity to meet the demand of the programme, is high. In such cases, more frequent and more in-depth monitoring is needed to quickly identify these problems so that the response can be adapted accordingly.

A programme should be considered automatically to be a higher risk if either of the following factors apply:

#### 1. Size of intervention and presence of other programmes:

A programme should be considered high risk if the number of beneficiaries targeted, (or the combination of your programme and other humanitarian interventions in the area) represent more than **20% of the total population** in the target area **OR** if the demand created by your programme (or the combination of yours and other programmes) represents more than **10% of the normal market** in a rural area, or **25% in an urban area**.

<sup>23</sup> This section has been adapted from CARE and Catholic Relief Service (CRS) (2015) *MARKit Toolkit: price monitoring, analysis and response kit*

<sup>24</sup> This concept of risk was also discussed in the Assessment and Analysis section (see p.35).

Because of the 'boom and bust' nature of shelter markets, shelter construction programmes often create a significant increase in demand. There is therefore an increased chance that they will be a high risk, compared to some other sectoral interventions.

## 2. Potential external risk

Civil unrest, conflict and poor weather are all external factors which can cause blockages or bottlenecks in the market chain. For example, they can make it more difficult for traders to meet changes in demand, delay them restocking or cause damage to infrastructure. As they increase the risk of the market being disrupted, they increase the programme's level of risk.

In addition to these two factors, other considerations which may contribute to a programme being high risk are:

### 1. Seasonality of the intervention

A cash or voucher programme is higher risk during periods when the availability of construction materials (including natural resources) or labour is low or falling. Although the programme design and the choice of modality should have been guided by the seasonal availability of construction materials and labour, external factors such as funding availability or delays to the contracting of financial service providers may disrupt this. In such cases, it is important to conduct more regular and in-depth market monitoring to ensure that the market is still able to respond to the programme demand.

### 2. Availability of market baseline

Existing market baseline information – including from other organisations – makes it easier to identify whether changes in the market are 'normal', are caused by the programme or are caused by unusual external factors. A lack of baseline information will make it more difficult to identify these, and to ascertain if changes need to be made to the programme, and what these should be.

### 3. Market integration

A cash or voucher intervention should only be conducted in markets which are well integrated, in order to avoid price inflation or decreased availability of the relevant goods or services. However, some intervention marketplaces will be less integrated than others and should therefore be monitored more frequently.

### 4. Market competition

In markets which are less competitive - those with only one or a few traders operating - traders will be more able to manipulate prices in their favour and distort the market. Traders coming into or leaving the market will also affect how competitive it is. Therefore, it is important to monitor changes in the level of competition in a marketplace and increase your monitoring if it becomes less competitive.

The below table, adapted from CRS's *MarkIT toolkit*, may be useful in identifying the risk level of your programme. If the answer to any of *Automatic High Risk Factors*, or more than one of the *Other Risk Factors*, is yes, the programme should be considered high risk.

Automatic High Risk Factors	Yes	No
Does your intervention (alone or in combination with other organisations') target more than 20% of the population in a given area?		
Does the demand (for labour or materials) from your programme (alone or in combination with other organisations' cash or voucher programmes) comprise more than 10% of the trade flow in a rural area (or 25% in an urban area)?		
Are there any external risks (possibility of conflict, road blockages, etc.) that will likely affect prices in your intervention markets and/or affect the security of your staff?		
Other Risk Factors		

Will your intervention be distributing cash/vouchers during periods of low availability of construction materials, including natural resources?		
Are you beginning the intervention without a market baseline?		
Are your intervention markets poorly integrated with supply markets?		
Do relatively few traders control a large percentage of the volume of construction materials traded in the market?		

**Table 8: Checklist - Programme Risk Level.** Source: Adapted from CRS/CARE's *MarkIT Toolkit* (2015)

If it is unclear as to whether your programme (or the combination of your programme and other interventions in the area) is high or low risk, err on the side of caution and set up a more robust monitoring plan. It is always possible to adapt this at a later stage if the risk profile of your programme becomes clearer.

If a programme is considered high risk, organisations should:

- Monitor a **greater number of marketplaces**;
- Include **comparison marketplaces** in your monitoring plan;
- Include **comparison goods** in your monitoring plan (i.e. those not related to shelter); and
- Monitor against **historical price trends**.

**Deciding where to collect information: which marketplaces?**

As we saw earlier (p.10), marketplaces can be categorised according to their size and role in a market system. It is important that all are included in your market monitoring plan. As a reminder, these include:

**Intervention Markets:** these are the markets which are most likely to be used by beneficiaries and are therefore most likely to be impacted by the intervention, whether a direct distribution of commodities, the distribution of cash and vouchers or large-scale local procurement.

**Regional/Local Supply Market:** These are the largest wholesale markets in a given area. They are normally found in a provincial or territorial capital or on the border of another country. This is a key supply market for traders in the intervention markets and therefore are influential in setting prices and market dynamics in the intervention markets.

**Central Markets:** Central markets are the largest markets in the programme area and dictate commodity prices for the region. These are usually found in capital cities or large urban centres, as well as at border locations where there may be a large trade in import and export. Information on prices in these is often readily available from secondary sources. Price changes in central markets may affect prices in the intervention markets but this will depend on how well integrated the latter are.

**Downstream Markets:** these markets are supplied by the intervention markets and will therefore also be affected by changes in your intervention markets.

For the purposes of market monitoring, it may also be necessary to include comparison markets in the monitoring plan:

**Comparison Markets:** these are markets that are not within the programme area but are used for monitoring as they are otherwise similar to intervention markets in terms of their:

- Size, activity, number of traders and population;
- Location from transport routes;
- Level of integration and competition; and
- The external forces such as conflict or weather, to which they are subjected.

Comparison markets help to identify whether changes in intervention markets are the result of the programme or caused by external factors.

Note that for shelter programmes, informal marketplaces - where trade is conducted outside of formal structures and sites - will also need to be included in monitoring activities. Craftsmen, for example, often operate outside of formal marketplaces.

## Deciding where to collect information: how many marketplaces?

As a shelter construction programme will have the greatest impact, and is most reliant, on intervention marketplaces, market monitoring should be focused on these. It is however also important to collect information from supply and central markets and, if the intervention is high risk, from downstream and comparison markets.

The number of marketplaces that should be visited will depend on the size of the programme and the resources available. However, MarkIT toolkit suggests the following as guidance:

Marketplace Type	Distribution/Cash and Voucher		Procurement (local or regional)	
	Low-risk	High-risk	Low-risk	High-risk*
<b>Central</b>	1-2	2-3	2-3	2-3
<b>Regional Supply</b>	At least 1, but more if the intervention market has many supply markets	At least 1-2, but more if the intervention market has many supply markets	3-5	3-5
<b>Intervention</b>	3-5	5-10	Up to 5	Up to 5
<b>Downstream</b>	Not applicable	Up to 2	Not applicable	Up to 2
<b>Comparison</b>	Not applicable	Up to 5	Not applicable	Up to 5
<b>TOTAL</b>	<b>5-10</b>	<b>10-15</b>	<b>5-10</b>	<b>10-15</b>

**Table 9: Calculating the number of markets to monitor.** Source: CRS (2015) MarkIT: response, monitoring and analysis toolkit

These figures should be adjusted to the size of your programme.

In small-scale programmes, it may be possible to visit all intervention markets. Where this is not possible select marketplaces which are representative of a wider area, and prioritise less well integrated markets as it is more likely that problems will occur in these.

## II. Data Collection

Data should be collected from your selected marketplaces using Tool 6C. As discussed earlier, this should be done at least monthly, but more frequently at the start of a programme or if the programme is considered high risk.

The data needs to be comparable in order that teams can easily identify changes to the market. Data collection teams should therefore:

- Always visit the same marketplaces on the same day of the week and preferably at the same time of the day. If some data comes from secondary sources (e.g. from a central market), your data collection plan should be aligned as far as possible with the secondary sources so that the data remains comparable.

- Ensure that they are collecting information on comparable goods (i.e. those with the same technical and quality specifications) or services in each of the marketplaces and from each of the traders or craftsmen. Photos can be a useful way of checking and controlling this.
- Visit the same traders or craftsmen for each round of data collection. Not only will this ensure that data is comparable but traders will be able to explain more easily any changes that occur in price or availability.
- Take the last month's data with them so that they can compare prices on site and ask appropriate follow-up questions of traders and craftsmen.
- Visit around five traders and craftsmen for each of the critical commodities or services in intervention markets, between two and four in supply markets, and at least one in central markets. In lower risk programmes, it may be possible to collect from fewer.
- In voucher programmes, where some traders are participating in the programme and others are not, collect information from both groups in order to analyse the effect of the programme on the wider market.
- Consider collecting data in the immediate lead-up, and/or in the immediate aftermath of a cash distribution to see how this directly affects the market, especially in high-risk programmes. This should be done in addition to regular monthly, or weekly price monitoring.

### III. Data Analysis

#### What to analyse

Market monitoring data should be analysed after every collection in order to effectively track trends and flag any changes of concern.

Analysis should include a comparison of:

- Current market prices with those of the baseline or the first month of the programme;
- Prices in intervention markets with prices in the central or supply markets, and between different intervention markets;
- Prices of commodities and services relevant to the programme, and those which are unrelated to the programme (e.g. construction materials v. soap);
- For voucher programmes, prices of commodities sold by participating and non-participating traders or craftsmen;
- Commodity prices in intervention markets against historical averages (when historical data is available)
- Prices in intervention markets with prices in comparison markets (when this data is collected)

To effectively analyse the market price data, a threshold (usually a percentage change) should be set as an alert before the start of an intervention. This will help to identify changes that are significant enough to warrant either further analysis or to trigger a contingency plan, but other changes, in the availability of goods, the quality of goods, or changes in the market may also be cause for concern and should be monitored carefully. Sound judgement is also required as price changes which fall below threshold may still be indicative of problems.

#### Interpreting the Data

While it may be easy to spot changes in the price, availability or quality of goods and services as well as changes in the wider market system, pinpointing the reasons for this is more difficult.

Firstly, it is useful to identify whether the changes are limited to one or a few goods or services, and one or a few marketplaces, or whether the changes affect all or most of the markets or goods. This can help to pinpoint potential causes, as you can see from the table below:

		COMMODITIES	
		One/Few	Many/All
MARKETPLACES	One/Few	<ul style="list-style-type: none"> <li>▪ Seasonality</li> <li>▪ Local supply shocks</li> <li>▪ Trader capacity/actions</li> <li>▪ Intervention</li> <li>▪ Changes in price of manual labour</li> </ul>	<ul style="list-style-type: none"> <li>▪ Seasonality</li> <li>▪ Local supply shocks</li> <li>▪ Demand shocks</li> <li>▪ Trader capacity/actions</li> <li>▪ Intervention</li> </ul>
	Many/All	<ul style="list-style-type: none"> <li>▪ Seasonality</li> <li>▪ Local supply shocks</li> <li>▪ (Global prices for construction materials)</li> <li>▪ National/local government policies</li> <li>▪ Changes in price of manual labour</li> </ul>	<ul style="list-style-type: none"> <li>▪ Seasonality</li> <li>▪ Inflation</li> <li>▪ Currency exchange rates</li> <li>▪ Fuel prices</li> <li>▪ Large scale supply shocks</li> </ul>

**Table 10: Price Change Characterisation Matrix**, Source: CRS (2015) MARKit Toolkit

For example, changes that affect most goods, in most marketplaces are likely to be the result of macro-level changes; by contrast, changes that affect a limited number of commodities and/or marketplaces may be the result of the shelter intervention, and/or wider changes.

While this table is a useful guide, it should not be considered prescriptive. Local knowledge of the context and markets and judgement should guide your interpretation of the data. In reality, identifying the cause(s) is difficult as it relies on incomplete information and may be the result of several independent or related factors. If necessary, return to the marketplaces to collect further information and collaborate your conclusions.

When interpreting your data, it is important to think holistically about possible reasons, use sound judgement and do not jump to conclusions. Keep in mind the size of the intervention compared to the size of the markets as this will impact the degree to which it will affect – positively or negatively – the market. If the intervention market is large, and the programme relatively small, it is less likely that changes can be attributed to the intervention than vice versa.

## Adjusting the Programme

Whether or not you decide to adjust the programme as a result of changes you see the market, and what these changes are will depend on several factors. These include:

### 1. Reason(s) identified for the change(s)

Having identified a potential cause or causes, think holistically about how best to respond. Changing the modality - for example, reverting to an in-kind distribution – will not necessarily be the most effective solution and may cause other problems in the longer-term. Instead, address the underlying cause as much as possible.

### 2. Remaining duration of the programme

The extent to which it is possible to adjust a programme will depend on the remaining duration of the project. Changes take time so if it is close to the end of a project, there may be limited options available.

### 3. Available resources



Making changes to a programme can also require significant resources and money and should therefore be realistic and achievable.

#### 4. Contingency plans

As discussed earlier, contingency planning before the start of a programme will ensure that there is a pre-agreed plan in place, and the necessary resources identified to enact it, in the event that the context, market or programme changes. Organisations should therefore be guided by these as much as possible.

#### 5. Flexibility of donor and service provider/supplier contracts

The extent to which changes can be made will depend largely on an organisation's contractual obligations to donors, suppliers and financial service providers. Organisations should therefore aim to build flexibility into the wording of contracts in order to retain the flexibility to adjust the programme if required.

#### 6. Protection concerns

When considering modifications to the programme, the protection risk and benefits analysis should be reviewed and updated accordingly to ensure that any changes will not increase the protection risks for programme participants.

#### **Key Resources – Monitoring and Evaluation**

- CARE, CRS, LRP Learning Alliance (2015) *MARKit: Price monitoring, analysis and response kit*.
- Almadhyan, A. and Dillon, E. (2016) *Market Analysis and Outcome/Impact Measurement in Cash Transfer Programming in the WaSH and Shelter Sectors in Sudden Onset Disasters*
- CaLP. (2017) *Monitoring4CTP :Monitoring Guidance for CTP in Emergencies*
- Levine, S and Bailey S (2015): *Cash, vouchers or in-kind: Guidance on evaluating how transfers are made in emergency programming*. ODI

# PART III: ANNEXES

## Annex 1: Key Resources and Links

### ***PART I: Introduction to Cash, Markets and Shelter Programming***

<b>INTRODUCTION TO CASH, VOUCHERS AND MARKETS</b>		
Library - Cash Learning Partnership (CaLP) library:	ENG FRA	<a href="http://www.cashlearning.org/resources/library">www.cashlearning.org/resources/library</a> <a href="http://www.cashlearning.org/ressources/bibliotheque">www.cashlearning.org/ressources/bibliotheque</a>
Glossary of Cash and Voucher Assistance (CaLP)	ENG FRA	<a href="http://www.cashlearning.org/resources/glossary">www.cashlearning.org/resources/glossary</a> <a href="http://www.cashlearning.org/ressources/glossaire">www.cashlearning.org/ressources/glossaire</a>
<i>Cash Transfer Programming Toolkit</i> – MercyCorps	ENG FRA	<a href="https://www.mercycorps.org/sites/default/files/CTP1MethodologyGuide.pdf">https://www.mercycorps.org/sites/default/files/CTP1MethodologyGuide.pdf</a> <a href="https://www.mercycorps.org/sites/default/files/CTP1MethodologyGuideFra_ncais_0.pdf">https://www.mercycorps.org/sites/default/files/CTP1MethodologyGuideFra_ncais_0.pdf</a>
<b>Training</b>		
Cash Learning Hub (CaLP's free online cash and markets training)	ENG/ FRA	<a href="http://www.cashlearning.org/resources/e-learning">http://www.cashlearning.org/resources/e-learning</a>
<b>CASH AND SHELTER</b>		
Global Shelter Cluster – Cash Working Group website :	ENG	<a href="https://www.sheltercluster.org/working-group/shelter-and-cash">https://www.sheltercluster.org/working-group/shelter-and-cash</a>
Cash and Shelter Library – Global Shelter Cluster	ENG	<a href="https://www.sheltercluster.org/resources/library/shelter-and-cash">https://www.sheltercluster.org/resources/library/shelter-and-cash</a>
<i>Shelter Projects: Shelter and Cash, 12 Case Studies</i> : Global Shelter Cluster (2018)	ENG	<a href="http://www.shelterprojects.org/shelterprojects-compilations/Shelter-Projects-Cash-Booklet-2018.pdf">http://www.shelterprojects.org/shelterprojects-compilations/Shelter-Projects-Cash-Booklet-2018.pdf</a>
<i>Using Cash for Shelter: An Overview of CRS Programmes</i> - Catholic Relief Services (2016)	ENG	<a href="https://www.crs.org/our-work-overseas/research-publications/using-cash-shelter">https://www.crs.org/our-work-overseas/research-publications/using-cash-shelter</a>
<i>Lessons Learnt and Recommendations for Cash-for-Shelter Programmes in DRC</i> : DRC Shelter Working Group (2018)	ENG FRA	Executive Summary: <a href="https://www.sheltercluster.org/shelter-and-cash-working-group/documents/executive-summary-dr-congo-cash-and-shelter-lessons-learned">https://www.sheltercluster.org/shelter-and-cash-working-group/documents/executive-summary-dr-congo-cash-and-shelter-lessons-learned</a> Full Report: <a href="https://www.sheltercluster.org/bn/node/15465">https://www.sheltercluster.org/bn/node/15465</a> Executive Summary: <a href="https://www.sheltercluster.org/shelter-and-cash-working-group/documents/resumen-enseignements-programmation-transferts-monetaires">https://www.sheltercluster.org/shelter-and-cash-working-group/documents/resumen-enseignements-programmation-transferts-monetaires</a> Full Report: <a href="https://www.sheltercluster.org/shelter-and-cash-working-group/documents/enseignements-et-recommandations-pour-la-programmation-en">https://www.sheltercluster.org/shelter-and-cash-working-group/documents/enseignements-et-recommandations-pour-la-programmation-en</a>
<i>Scoping study - Emergency cash transfer programming in the WaSH and shelter sectors</i> - Juillard, H and Opu, M.I. (2015)	ENG FRA	<a href="http://www.cashlearning.org/resources/library/536-scoping-study---emergency-cash-transfer-programming-in-the-wash-and-shelter-sectors">http://www.cashlearning.org/resources/library/536-scoping-study---emergency-cash-transfer-programming-in-the-wash-and-shelter-sectors</a> <a href="http://www.cashlearning.org/resources/library/614-tude-de-cadrage-les-transferts-montaires-montaires-durgence-dans-les-secteurs-wash-et-du-logement">http://www.cashlearning.org/resources/library/614-tude-de-cadrage-les-transferts-montaires-montaires-durgence-dans-les-secteurs-wash-et-du-logement</a>
<b>MARKET-BASED PROGRAMMING</b>		
<i>Market-Based Programming Framework</i> - CaLP (2017)	ENG	<a href="http://www.cashlearning.org/downloads/mbp-framework2may2017final-2.pdf">http://www.cashlearning.org/downloads/mbp-framework2may2017final-2.pdf</a>
<i>Market Support Interventions in Humanitarian Contexts – a Tip Sheet</i> : CaLP (2018)	ENG FRA	<a href="http://www.cashlearning.org/downloads/resources/guidelines/calp-crs-tip-sheet-web.pdf">http://www.cashlearning.org/downloads/resources/guidelines/calp-crs-tip-sheet-web.pdf</a> <a href="http://www.cashlearning.org/resources/library/1300-fiche-conseil--interventions-de-soutien-au-march-en-contexte-humanitaire">http://www.cashlearning.org/resources/library/1300-fiche-conseil--interventions-de-soutien-au-march-en-contexte-humanitaire</a>
<i>Markets in Crisis: the implications for Humanitarian action</i> . Levine, Simon (2017):	ENG	<a href="https://www.odi.org/sites/odi.org.uk/files/resource-documents/11722.pdf">https://www.odi.org/sites/odi.org.uk/files/resource-documents/11722.pdf</a>

## PART II: The Project Cycle: Cash-based Shelter Construction Programmes

<b>PREPARATION: Organisational Capacity and Preparedness</b>		
Organisational Cash Readiness Tool (OCRT) – CaLP (2016)	ENG FRA	<a href="http://www.cashlearning.org/strengthening-institutional-capacity/strengthening-institutional-capacity">http://www.cashlearning.org/strengthening-institutional-capacity/strengthening-institutional-capacity</a> <a href="http://www.cashlearning.org/resources/library/897-outil-dvaluation-des-capacits-organisationnelles">http://www.cashlearning.org/resources/library/897-outil-dvaluation-des-capacits-organisationnelles</a>
<b>ASSESSMENT AND ANALYSIS: Market Analysis and Cash Feasibility Studies</b>		
EMMA: Emergency Mapping and Market Analysis Toolkit	ENG FRA	<a href="https://www.emma-toolkit.org/toolkit">https://www.emma-toolkit.org/toolkit</a> <a href="https://www.emma-toolkit.org/documents/emma-le-guide-et-cartographie-des-marches-en-etat-d%E2%80%99urgence">https://www.emma-toolkit.org/documents/emma-le-guide-et-cartographie-des-marches-en-etat-d%E2%80%99urgence</a>
Rapid Assessment for Markets (RAM) – IFRC/ICRC (2014)	ENG	<a href="https://www.icrc.org/en/publication/4199-rapid-assessment-markets-guidelines-initial-emergency-market-assessment">https://www.icrc.org/en/publication/4199-rapid-assessment-markets-guidelines-initial-emergency-market-assessment</a>
Market Analysis Guidance (MAG) – IFRC/ICRC (2014)	ENG	<a href="https://www.icrc.org/en/publication/4200-market-analysis-guidance">https://www.icrc.org/en/publication/4200-market-analysis-guidance</a>
Multisectoral Market Assessment: Companion Guide and Toolkit – UNHCR (2017)	ENG	<a href="https://www.unhcr.org/protection/operations/593e856e7/multi-sector-market-assessment-companion-guide-toolkit.html">https://www.unhcr.org/protection/operations/593e856e7/multi-sector-market-assessment-companion-guide-toolkit.html</a>
Cash Feasibility and Response Analysis Toolkit – UNHCR (2017)	ENG	<a href="https://www.unhcr.org/5a8429317.pdf">https://www.unhcr.org/5a8429317.pdf</a>
Labour Market Analysis in Humanitarian Contexts: A Practitioner’s Guide- MercyCorps, Save the Children, IRC (2016)	ENG	<a href="http://www.cashlearning.org/resources/library/844-labour-market-analysis-in-humanitarian-contexts-a-practitioners-guide">http://www.cashlearning.org/resources/library/844-labour-market-analysis-in-humanitarian-contexts-a-practitioners-guide</a>
Minimum Standards for Market Analysis (MISMA) Juillard, H (2018). CaLP.	ENG	<a href="http://www.cashlearning.org/resources/library/1263-minimum-standard-for-market-analysis-misma">http://www.cashlearning.org/resources/library/1263-minimum-standard-for-market-analysis-misma</a>
Minimum Requirements for Market Analysis in Emergencies - Austin, L, Chessex, S.(2013). CaLP	ENG FRA	<a href="http://www.cashlearning.org/2012-2014/minimum-requirements-for-market-analysis-in-emergencies">http://www.cashlearning.org/2012-2014/minimum-requirements-for-market-analysis-in-emergencies</a> <a href="http://www.cashlearning.org/resources/library/352-critres-minimaux-danalyse-de-march-en-situation-durgence">http://www.cashlearning.org/resources/library/352-critres-minimaux-danalyse-de-march-en-situation-durgence</a>
Market Information Framework – Sloane, E (2018). IRC. (inc. comparison of different market analysis tools)	ENG FRA	<a href="http://www.cashlearning.org/resources/library/1198-market-information-framework">http://www.cashlearning.org/resources/library/1198-market-information-framework</a> <a href="http://www.cashlearning.org/resources/library/1199-cadre-didentification-des-donnes-relatives-au-march">http://www.cashlearning.org/resources/library/1199-cadre-didentification-des-donnes-relatives-au-march</a>
Comparative Review of Market Assessment Methods, Tools, Approaches and Findings – SWOT Analysis – WFP (2015)	ENG	<a href="http://www.cashlearning.org/resources/library/773-comparative-review-of-market-assessments-methods-tools-approaches-and-findings--swot-analysis">http://www.cashlearning.org/resources/library/773-comparative-review-of-market-assessments-methods-tools-approaches-and-findings--swot-analysis</a>
<b>PROGRAMME DESIGN AND IMPLEMENTATION</b>		
The Cash Transfer Implementation Guide – MercyCorps (2017)	ENG FRA	<a href="http://www.mercycorps.org/research/cash-transfer-implementation-guide">www.mercycorps.org/research/cash-transfer-implementation-guide</a> <a href="https://www.mercycorps.org/sites/default/files/CashTransferImplementationGuideFR.pdf">https://www.mercycorps.org/sites/default/files/CashTransferImplementationGuideFR.pdf</a>
Voucher Fairs: A Quick Delivery Guide – CaLP (2011)	ENG	<a href="http://www.cashlearning.org/resources/library/217-voucher-fairs-a-quick-delivery-guide-booklet-version">http://www.cashlearning.org/resources/library/217-voucher-fairs-a-quick-delivery-guide-booklet-version</a>
Voucher and Fair Implementation Guide – MercyCorps (2015)	ENG	<a href="http://www.cashlearning.org/resources/library/751-voucher-and-fair-implementation-guide">http://www.cashlearning.org/resources/library/751-voucher-and-fair-implementation-guide</a>
Guide to Cash-for-Work Programming – MercyCorps (2007)	ENG	<a href="http://www.cashlearning.org/resources/library/446-guide-to-cash-for-work-programming">http://www.cashlearning.org/resources/library/446-guide-to-cash-for-work-programming</a>
<b>Delivery Mechanisms</b>		
Financial Services Primer for Humanitarians – ELAN (2015)		<a href="http://www.cashlearning.org/resources/library/726-financial-services-primer-for-humanitarians">http://www.cashlearning.org/resources/library/726-financial-services-primer-for-humanitarians</a>
The Delivery Guide–Scoping the Humanitarian Payments Landscape – ELAN (2018)		<a href="http://www.cashlearning.org/downloads/mpgtoolkit/delivery-guide-final.pdf">http://www.cashlearning.org/downloads/mpgtoolkit/delivery-guide-final.pdf</a>
E-transfer Implementation Guide – MercyCorps (2015)	ENG FRA	<a href="http://www.cashlearning.org/resources/library/650-e-transfer-implementation-guide">http://www.cashlearning.org/resources/library/650-e-transfer-implementation-guide</a> <a href="http://www.cashlearning.org/resources/library/700--guide-de-mise-en-uvre-de-transfert">http://www.cashlearning.org/resources/library/700--guide-de-mise-en-uvre-de-transfert</a>

<i>Mobile money assessment and contracting guide</i> – ELAN/MFX (2017)	ENG FRA	<a href="http://www.cashlearning.org/downloads/mobile-money-assessment-and-contracting-guide--final.pdf">http://www.cashlearning.org/downloads/mobile-money-assessment-and-contracting-guide--final.pdf</a> <a href="http://www.cashlearning.org/resources/library/1030-guide-elan-pour-l-valuation-d-argent-mobile-et-l-etablissement-de-contrat">http://www.cashlearning.org/resources/library/1030-guide-elan-pour-l-valuation-d-argent-mobile-et-l-etablissement-de-contrat</a>
<i>Working with banks: a quick to negotiating with banks in cash transfer programmes</i> - CaLP	ENG FRA	<a href="http://www.cashlearning.org/downloads/resources/tools/calp_working_with_banks_final_a5.pdf">http://www.cashlearning.org/downloads/resources/tools/calp_working_with_banks_final_a5.pdf</a> <a href="http://www.cashlearning.org/resources/library/282-travailler-avec-les-banques-un-guide-pratique-de-negotiation">http://www.cashlearning.org/resources/library/282-travailler-avec-les-banques-un-guide-pratique-de-negotiation</a>
<b>Cash and the Environment</b>		
<i>Looking Through an Environmental Lens: implications and opportunities for cash transfer programming in humanitarian response</i> – UNEP/OCHA. (2018).	ENG	<a href="https://www.sheltercluster.org/shelter-and-cash-working-group/documents/ctp-looking-through-environmental-lens-implications-and">https://www.sheltercluster.org/shelter-and-cash-working-group/documents/ctp-looking-through-environmental-lens-implications-and</a>
<i>Looking Through an Environmental Lens: Case Study</i> – Global Shelter Cluster (2018)		<a href="https://www.sheltercluster.org/sites/default/files/docs/cashenvironment.gsc_brief.pdf">https://www.sheltercluster.org/sites/default/files/docs/cashenvironment.gsc_brief.pdf</a>
Cash and the Environment – Global Shelter Cluster Online information portal	ENG	<a href="https://www.sheltercluster.org/shelter-and-cash-working-group/library/cash-and-environment">https://www.sheltercluster.org/shelter-and-cash-working-group/library/cash-and-environment</a>
<b>Data Protection</b>		
<i>Protecting Beneficiary Privacy: Principles and operational standards for the secure use of personal data in cash and e-transfer programmes</i> – CaLP (2013)	ENG	<a href="http://www.cashlearning.org/resources/library/389-protecting-beneficiary-privacy-principles-and-operational-standards-for-the-secure-use-of-personal-data-in-cash-and-e-transfer-programmes">http://www.cashlearning.org/resources/library/389-protecting-beneficiary-privacy-principles-and-operational-standards-for-the-secure-use-of-personal-data-in-cash-and-e-transfer-programmes</a>
<i>A data starter kit for humanitarian field staff</i> – ELAN (2018)	ENG	<a href="http://elan.cashlearning.org/">http://elan.cashlearning.org/</a>
<i>Handbook on Data Protection in Humanitarian Action</i> – ICRC (2017)	ENG	<a href="https://www.icrc.org/en/publication/handbook-data-protection-humanitarian-action">https://www.icrc.org/en/publication/handbook-data-protection-humanitarian-action</a>
<b>Gender and Protection</b>		
<i>Collected Papers on Gender and Cash Transfer Programmes in Humanitarian Contexts</i>	ENG FR	<a href="http://www.cashlearning.org/resources/library/1273-corpus-de-papiers-sur-les-transferts-montaires-et-le-genre-dans-les-contextes-humanitaires">http://www.cashlearning.org/resources/library/1273-corpus-de-papiers-sur-les-transferts-montaires-et-le-genre-dans-les-contextes-humanitaires</a> <a href="http://www.cashlearning.org/resources/library/1273-corpus-de-papiers-sur-les-transferts-montaires-et-le-genre-dans-les-contextes-humanitaire">http://www.cashlearning.org/resources/library/1273-corpus-de-papiers-sur-les-transferts-montaires-et-le-genre-dans-les-contextes-humanitaire</a>
<i>Tools and Guidance for Protection in Cash-Based Interventions (Guide, Key Recommendations and Tips)</i>	ENG/ FR	<a href="http://www.globalprotectioncluster.org/tools-and-guidance/essential-protection-guidance-and-tools/cash-based-interventions-and-idp-protection/">http://www.globalprotectioncluster.org/tools-and-guidance/essential-protection-guidance-and-tools/cash-based-interventions-and-idp-protection/</a>
<b>MONITORING AND EVALUATION</b>		
<i>MARKit: Price monitoring, analysis and response kit</i> – CRS, CARE (2015)	ENG FR	<a href="https://www.crs.org/our-work-overseas/research-publications/markit">https://www.crs.org/our-work-overseas/research-publications/markit</a> <a href="http://www.cashlearning.org/resources/library/789-markit-kit-de-suivi-analyse-et-intervention">http://www.cashlearning.org/resources/library/789-markit-kit-de-suivi-analyse-et-intervention</a>
<i>Cash, vouchers or in-kind: Guidance on evaluating how transfers are made in emergency programming.</i> Levine, S and Bailey S. ODI (2015).	ENG	<a href="https://www.odi.org/publications/9285-cash-vouchers-or-kind-guidance-evaluating-how-transfers-are-made-emergency-programming">https://www.odi.org/publications/9285-cash-vouchers-or-kind-guidance-evaluating-how-transfers-are-made-emergency-programming</a>
<i>Monitoring4CTP :Monitoring Guidance for CTP in Emergencies</i> CaLP (2017)	ENG	<a href="http://www.cashlearning.org/resources/library/1046-monitoring4ctp-monitoring-guidance-for-ctp-in-emergencies">http://www.cashlearning.org/resources/library/1046-monitoring4ctp-monitoring-guidance-for-ctp-in-emergencies</a>

## Annex 2: Glossary<sup>25</sup>

**Owner/beneficiary-paid labour:** beneficiary households pay for the unskilled labour required to build their shelter, for example, by households who do not have the capacity to do so themselves. Materials, technical support and tools should be provided by the organisation, as required.

**Direct Labour:** Humanitarian organisations hire and manage labour for a shelter construction programme directly, and provide the materials, tools and supervision required. This is different to Cash for Work, as direct labourers are identified and employed by the organisation for their skills and competencies, rather than identified on the basis of their vulnerability and purely compensated for their work

**Contracted Works/Labour:** Contracted labour is the hiring of professional companies to provide technical expertise, carry out distributions, undertake reconstruction activities or provide resources.

**Self-help:** Self-help, sometimes defined as self-build or owner-driven refers to construction that is carried out by the owner/beneficiary household without compensation or payment provided for their labour. Self-help is most appropriate when labour is available, the construction methods required are relatively simple and non-engineered, beneficiaries have a tradition of self-building and there are no strict time pressures. Rigorous technical support and supervision must be provided by the implementing organization.

**Cash Transfer:** The provision of assistance in the form of money (either physical currency/cash or e-cash) to beneficiaries (individuals, households or communities). Cash transfers as a modality are distinct from both vouchers and in-kind assistance.

**Cash and Voucher Assistance (CVA)** (also known as *Cash Transfer Programming (CTP)*, *Cash-Based Assistance (CBA)* or *Cash-based Interventions (CBI)*): refers to all programs where **cash transfers** or **vouchers** for goods or services are directly provided to recipients. In the context of humanitarian assistance, the term is used to refer to the provision of cash transfers or vouchers given to individuals, household or community recipients; not to governments or other state actors. This excludes remittances and microfinance in humanitarian interventions. The terms '**cash**' or '**cash assistance**' should be used when referring specifically to cash transfers only (i.e. 'cash' or 'cash assistance' should not be used to mean 'cash and voucher assistance').

**Cash-for-Work:** Cash payments provided on the condition of undertaking designated work. This is generally paid according to time worked (e.g. number of days, daily rate), but may also be quantified in terms of outputs (e.g. number of items produced, cubic metres dug). CFW interventions are usually in public or community work programmes, but can also include home-based and other forms of work.

**Community Labour:** involves the mobilisation of a community to undertake shelter construction together, whereby materials or financial support combined with technical support, is provided to the community as a whole, rather than to an individual family. *Community labour is different to Cash for Work*, as usually individuals are not paid for their labour, the labour is provided in-kind by the beneficiaries in exchange for materials or financial support to purchase materials, combined with technical support.

**Conditionality:** Conditionality refers to prerequisite activities or obligations that a recipient must fulfil in order to receive assistance. Conditions can in principle be used with any kind of transfer (cash, vouchers, in-kind, service delivery) depending on the intervention design and objectives. Some interventions might require recipients to achieve agreed outputs as a condition of receiving subsequent tranches. Note that conditionality is distinct from restriction (how assistance is used) and targeting (criteria for selecting recipients). Types of

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<sup>25</sup> Glossary adapted from CaLP Glossary (2018) and DG ECHO Shelter and Settlements Thematic Policy Document

condition include attending school, building a shelter, attending nutrition screenings, undertaking work, training, etc. Cash for work/assets/training are all forms of conditional transfer.

**Delivery Mechanism:** Means of delivering a cash or voucher transfer (e.g. smart card, mobile money transfer, cash in hand, cheque, ATM card, etc.).

**Distribution:** Distribution refers to the disbursement or transfer of assistance to recipients. This encompasses the distribution of physical items (e.g. currency, paper voucher, ATM card, smart card, SIM card, etc.), and/or the transfer of a digital payment to a recipient's bank account, card, mobile money account, etc.

**Financial Service Provider (FSP):** An entity that provides financial services, which may include e-transfer services. Depending upon the context, financial service providers may include e-voucher companies, financial institutions (such as banks and microfinance institutions) or mobile network operators (MNOs).

**Labour Market System:** A labour market system is a market system within which people sell their labour (supply), and others buy this labour (demand).

**Labour Market Analysis:** Labour market analysis is about understanding the constraints, capabilities and potential to expand labour opportunities within the market system. In humanitarian contexts, this includes consideration of how target populations in particular access the labour markets and how to strengthen and support existing market actors.

**Market:** The term 'market' refers to a system of exchange between two or more actors or players. The exchange can be for goods or services, or for money and can take place in a physical space or through virtual media such as the internet. Markets are sometimes defined by forces of supply and demand, rather than geographical location e.g. 'imported cereals make up 40% of the market'.

**Market (System) Analysis:** Analysis of market information to understand how a market functions, and how the market system function, or how it has been impacted by an event or crisis. Market system analysis uses a systems approach to map out all the social, political, economic, cultural and physical factors affecting how a market operates.

**Market-Based Programming:** Market-based programming or market-based interventions are understood to be projects that work through or support local markets. The terms cover all types of engagement with market systems, ranging from actions that deliver immediate relief to those that proactively strengthen and catalyze local market systems or market hubs.

**Market System:** refers to all the players or actors, and their relationships with each other and with support or business services as well as the enabling environment – or rules and norms that govern the way that system works. Market systems are interconnected when they share the same set of enabling environment / rules / norms and business / support services, for instance when they operate within one country.

**Minimum Expenditure Basket (MEB):** A Minimum Expenditure Basket (MEB) requires the identification and quantification of basic needs items and services that can be monetized and are accessible through local markets and services. Items and services included in an MEB are those that households in a given context are likely to prioritize, on a regular or seasonal basis. An MEB is inherently multisectoral and based on the average cost of the items composing the basket. It can be calculated for various sizes of households.

**Modality:** refers to the form of assistance – e.g. cash transfer, vouchers, in-kind, service delivery, or a combination (modalities).

**Multiplier Effect:** Indirect effects of cash transfers whereby increased expenditure by recipients contributes to income growth for non-recipients, expansion of markets for local goods, or increased demands for services.

**Multipurpose Cash Grant (MPG)/Multipurpose Cash Assistance (MPCA):** Multipurpose Cash Transfers (MPC) are transfers (either periodic or one-off) corresponding to the amount of money required to cover, fully or partially, a household's basic and/or recovery needs. The term refers to transfers designed to address multiple needs, with the transfer value calculated accordingly. MPC transfer values are often indexed to expenditure gaps based on a *Minimum Expenditure Basket (MEB)*, or other monetized calculation of the amount required to cover basic needs. All MPC are unrestricted in terms of use as they can be spent as the recipient chooses.

**Restriction:** Restriction refers to limits on the use of assistance by recipients. Restrictions apply to the range of goods and services that the assistance can be used to purchase, and the places where it can be used. The degree of restriction may vary – from the requirement to buy specific items, to buying from a general category of goods or services. Vouchers are restricted by default since they are inherently limited in where and how they can be used. In-kind assistance is also restricted. Cash transfers are unrestricted in terms of use by recipients. Note that restrictions are distinct from conditions, which apply only to activities that must be fulfilled in order to receive assistance.

**Voucher:** A paper, token or *e-voucher* that can be exchanged for a set quantity or value of goods or services, denominated either as a cash value (e.g. \$15) or predetermined commodities (e.g. 5 kg maize) or specific services (e.g. milling of 5 kg of maize), or a combination of value and commodities. Vouchers are restricted by default, although the degree of restriction will vary based on the programme design and type of voucher. They are redeemable with preselected vendors or in 'fairs' created by the implementing agency. The terms vouchers, stamps, or coupons might be used interchangeably.

## Annex 3: Toolkit

Available as a separate attachment