



Infusing cash into markets supports choice and livelihoods.
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Building with cash

Choice, quality and the importance of technical assistance

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Introduction: the humanitarian ends and means of cash

The primary concern of the shelter and settlements sector is – and should be – to ensure that families affected by emergencies have a safe, adequate, and dignified place to live. As humanitarian agencies increasingly favour cash-based and market-based interventions, the sector has a central role to play in ensuring that policy and practice continue to promote and prioritize these fundamental aims. Although shelter agencies have long been proponents of cash, intellectual leadership on cash-transfer programming (CTP) has primarily arisen in the food security and livelihoods sectors, whose ways of working have not always translated well to other sectors. As trends in CTP emphasize

unconditional multipurpose grants (MPGs) to enable beneficiaries to prioritize and meet their own needs, reduce transaction costs, and involve the private sector, shelter actors must embrace the opportunities presented by CTP, while ensuring that the standards that define the sector continue to underpin cash-based shelter interventions. The shelter and settlements sector must work to re-focus discussions on the quality and effectiveness of programmes, rather than on the means by which they are achieved.

Compelling arguments for the use of cash- and market-based interventions include empowerment, choice and economic stimulus. However, such interventions bring their own risks. Unconditional cash grants on their own do not ensure safe, adequate and dignified

shelter, as this is dependent on education, training, skills, available labour and resources, degree of household and individual capacity and vulnerability, and links with water, sanitation and livelihoods that cannot be addressed by cash alone. In its various modes of delivery, cash often provides a partial means to this end, but does not intrinsically ensure adequate shelter outcomes. The development of shelter programmes, coordination practice, policy and advocacy messaging must acknowledge and deal with both the risks and opportunities of cash-based support.

This chapter argues that cash-based interventions can best meet shelter and settlement needs when accompanied by wider forms of programmatic support that focus on community involvement, technical assistance, information, and education and training – to ensure adequate, appropriate and contextually relevant shelter recovery after disasters.¹

Cash in a shelter context

The push towards cash was reiterated at the World Humanitarian Summit (WHS), in global humanitarian resolutions for the Grand Bargain and Localization (see Chapter 7),² and in the Sphere Project 2018 revision (see Chapter 18). It has received unqualified backing and support from a number of major humanitarian donors. Although CTP marks an important advance in humanitarian action, shelter and settlements agencies must also respond to wider, context-dependent socio-economic needs that influence where communities live, why they live there, and how they recover sustainably from disasters. In shelter programming, cash is most effective when it supports wider settlement efforts and is shaped by local circumstances and conditions.

Global humanitarian platforms such as the WHS have rightly emphasized the empowering qualities of cash: greater scope for individual choice, local market recovery, greater financial inclusion in developing countries, and – in some middle-income countries like the Philippines and

Ukraine – linkages to existing social welfare systems. A revision to the recent Sphere Project update following the WHS – both of which were heavily influenced by humanitarian donors – recommends cash-based programming as the default option for humanitarian assistance, sometimes placing questions about the mode of assistance before questions about specific humanitarian needs. In this view, response agencies should start operations with the question: ‘If not cash, why not?’³

Traditionally, the shelter and settlements sector has been logistically intense, incurring high unit costs to meet the needs of each household. Like in-kind support, CTP has been used by shelter agencies to open up access to locally available materials or services, rather than as an end in itself. This is because the quality of shelter programmes is more often a function of properly considered technical support and guidance than of access to funds alone. This distinction – between prioritizing the quality of shelter outcomes or the manner in which it is delivered – is a crucial one, especially when agencies are under pressure to respond quickly in an emergency.

A good programme will acknowledge many uses and perspectives on what ‘appropriate’ shelter actually is, with built-environment professionals focusing on design quality and building standards.⁴ Households themselves may prioritize speed of construction, size, appearance and use (all of which are likely to change over time).⁵ Both perspectives allow for the safety, dignity, adequacy and appropriateness of the shelter to be agreed by all parties and prioritized in equal measure. This will require a range of intervention types (including, but not limited to, cash) to meet shelter and settlement objectives. Ultimately, it is contextual analysis that decides the most effective combination of modalities. In remote locations (such as the high Himalayas) where markets are weak, disrupted or not even functioning, cash assistance may be counter-productive. Likely effects on inflation and employment markets need to be understood

and monitored, as do social and family dynamics, as a sudden injection of cash into a community after an emergency can, if not done well, lead to a rise in gender-based violence.⁶ Furthermore, variations of both in-kind or cash- and market-based programmes do not in themselves bring good results. The responsibility of shelter agencies, the sector and the Shelter Cluster are to catalyze the *process* of shelter recovery after disasters (sheltering); provide socio-technical advice, support, education and training to ensure the quality of recovery; and invest in disaster risk reduction and Build Back Safer approaches to shelter, housing and settlements. It is these context-based elements that ultimately bring broader benefits, and influence outcomes above and beyond the provision of basic commodities, whether via in-kind or cash-based support.

Making multi-purpose cash work for shelter

Shelter actors often add the most value by providing skills or knowledge that recovering households may otherwise have difficulty in accessing. Such technical assistance is equally vital for in-kind assistance. In emergency settings, however, the focus on technical assistance is often reduced, in order to reach larger numbers of beneficiaries, at the expense of programme quality. Further, there is a paucity of empirical measurement of shelter outcomes, and of adequate costing of 'soft' interventions such as training, education and community engagement. In emergencies this is compounded by the humanitarian community's reliance on 'Who, What, Where' or 3W reporting, which focuses on counting what has been distributed but does not consider whether more subjective needs, such as 'adequate' shelter, have been met. More documented research and guidance on the importance of technical assistance for shelter and settlements outcomes and recovery pathways are essential if the sector is to advocate effectively for greater consideration of this in developing humanitarian policy.

Nonetheless, there are several examples of shelter actors supporting cash-based programmes, whether through technical assistance or related support, such as that which accompanies tranche systems of cash disbursement to stimulate owner- and occupier-driven recovery. Typically, grants are provided in instalments (plinth, walls and roof) on the basis of progress towards an agreed design that includes disaster risk reduction features. Disbursement is assessed by qualified state representatives or accredited agencies and accompanied by technical monitoring, support and quality-control measures. This approach was used at scale following the Indian Ocean tsunami in 2004 and the Pakistan earthquake in 2005.⁷ In Nepal, following the 2015 earthquakes, an ambitious, tranche-based recovery programme was initiated, with more than 700,000 households eligible for financial support based on specified recovery options.⁸ The Nepal Housing Recovery and Reconstruction Platform supports reconstruction efforts that will see an estimated US\$2.2 billion in grants paid through tranche systems,⁹ with NGOs providing technical assistance. In association with technical assistance, these owner-driven housing recovery programmes may represent the largest CTP programmes ever undertaken by the humanitarian community.

Although such assistance comprises mostly technical support, such as Building Back Safer/Better guidance, technical assistance could also include guidance on housing, land and property rights; forging links between shelter and livelihoods recovery; cultural preservation of the built environment; gender equity; empowerment of vulnerable social groups; and sustainability of informal settlements.

Filling these knowledge gaps adds significant value for agencies and donors, and helps beneficiaries make informed decisions on how best to use multi-purpose or other forms of CTP work to achieve quality sector outcomes. This approach accepts rather than challenges the argument for greater use of unrestricted cash.¹⁰

Sectoral experience suggests that, although agencies can exert less control over what people do, the shelter outcomes will be better, at larger scale, and will more accurately reflect people's needs.¹¹ Further research and sectoral advocacy are required to ensure that providing a broad scope of technical assistance becomes a priority for agencies and donors, so that they can be delivered at scale in emergencies.

Multipurpose cash is increasingly used to ensure a rapid and tangible first-phase humanitarian response where information is lacking, needs are uncertain, and more considered programmes and plans are still being designed. Following the 2015 Nepal earthquakes, an initial shelter-specific cash grant of around US\$100 was re-styled as multipurpose cash, because it was impossible to know whether the funds were being spent exclusively on shelter, or on other pressing family needs such as health, food and debt relief. Fifty-seven per cent of families in priority districts received cash, making it the most common relief method. Of these emergency cash payments, 60 per cent were used for shelter items (specifically corrugated galvanized iron sheets), with the remainder spent primarily on food.¹² In Bangladesh, the national-level Cash Working Group estimates that 18 per cent of multipurpose cash is used for shelter, making it the second-highest expenditure category (compared with food 38 per cent, hygiene 10 per cent, and health 7 per cent).¹³

Multipurpose or unconditional cash grants can meet beneficiaries' basic needs.¹⁴ However, on their own they do not guarantee safe and adequate housing.¹⁵ The Global Shelter Cluster position paper on cash reports that, without complementary support, 'beneficiaries can be left with unsafe or incomplete buildings, lack of tenure security, lasting debts and increased vulnerability'.¹⁶ Further, during the emergency phase, when distributing tarpaulins is often a priority, products available from local markets are unlikely to meet technical standards for durability based on international experience (although

there is debate over whether, in some crises, the distribution of in-kind relief supplies such as tarpaulins meets a real need or is simply a predetermined response based on past ways of working or a lack of consultation by humanitarian agencies – concerns that could be redundant were markets functioning and cash delivered instead). Finally, international response agencies and platforms, namely UNHCR, Oxfam, the Danish Refugee Council and CaLP, warn that multipurpose grants will not 'automatically reduce or eliminate all vulnerabilities. Vulnerabilities are often multi-faceted, hence the importance of problem and causal analysis'.¹⁷

As use of multipurpose cash grants has grown, shelter practitioners have struggled to ensure that grants are accompanied by the required technical assistance, and are large enough to achieve their aims. In the recent displacement crisis in Cox's Bazar in Bangladesh, the minimum expenditure basket (defined as what a household needs – on a regular or seasonal basis – and its average cost over time)¹⁸ did not cover shelter and non-food item upgrades.¹⁹ In Ukraine, Yemen, Lebanon, Turkey and Iraq, there is evidence that, because minimum expenditure baskets do not include or are too small to cover their full shelter-related costs, people are compromising on this essential expenditure and are being forced to live in substandard conditions. In addition to a lack of monetary coverage, such basic needs approaches do not include any sectoral technical assistance or monitoring, further increasing the likelihood of families living in poor or unsafe conditions, or at increased personal risk.

Despite these complications, the sector must acknowledge that people will not prioritize shelter while other more urgent needs, such as health or food, are not being met. In such cases, recipients might sell off in-kind shelter support to meet these needs. If agencies do not acknowledge and address this reality, the most vulnerable families might be removed from beneficiary lists, or might compromise the safety of their shelters

at a later date. These difficulties alone mean that unrestricted cash can be essential during a crisis, to reinforce shelter programmes and, along with technical assistance, catalyze recovery. When combined with other forms of assistance, cash can propel a safe, dignified recovery that is controlled by the people affected. Recent examples of shelter programmes that complemented unconditional cash with targeted support include Yemen, where multipurpose cash grants funded food, water, hygiene, fuel and transportation,²⁰ while additional grants that were subject to tighter conditions funded rent or housing repairs. Similarly, in Lebanon and Jordan, many agencies have followed the Norwegian Refugee Council in offering incentives to landlords to house Syrian refugees rent-free for a defined period, in return for grants to repair or improve apartments or other buildings suitable for accommodation. Many agencies complemented this support with multipurpose cash to help refugee families meet other needs and therefore reduce their likelihood of resorting to negative coping strategies.²¹

Conclusion

The use of cash in shelter and settlements assistance will continue to increase, and it can make a real difference in both response and linking with recovery. Multipurpose cash transfers, voucher systems, cash-for-work, cash-for-rent, invited or managed marketplace distributions, community cash transfers, and tranche-based recovery programmes are all potential ways of sheltering with cash. But financial support combined with good-quality technical assistance and specific in-kind provision where needed is the best way to achieve shelter aims that work for everybody involved in the recovery process.²²

As our sector's knowledge increases, especially our understanding of complex housing-related market systems, the role of shelter actors can shift from providing the physical elements

required for construction to helping families meet their own shelter needs. Such a role should be embraced, but shelter actors and donors alike must appreciate that this change will necessitate a greater range of skills and more considered staffing of shelter and settlement programming.

It is equally important that, as CTP becomes the norm, technical analysis and the application of varied forms of expertise increase, so that CTP is not seen as the simple answer to complex problems. Further work is, however, needed to better understand how cash- or market-based modalities can improve all aspects of delivering shelter and settlements support. Such research should go beyond simple enumeration of items delivered or households 'reached', to measuring the quality and appropriateness of assistance provided. This means applying more qualitative assessment methodologies and undertaking a more sophisticated analysis of the local context than is currently usual in the urgency of a disaster response.

The specific nuances and gaps in capacity in the shelter and other sectors are slowly gaining appreciation from those driving the cash agenda,²³ but more still needs to be done. A recent report on the status of the Grand Bargain highlights a related predicament.²⁴ Progress on the commitment to increase the use and coordination of cash is focused almost exclusively on scale and efficiency, with no mention of quality, or of how to equip sectors to use cash responsibly and with impact. The shelter and settlements sector must remedy this if we are to uphold and strengthen the principles of quality that underpin our work. This will need a deeper, better-informed, and more sustained collaboration between response agencies, donors and cash platforms, if cash-based support is to truly help people affected by crises to achieve safe, adequate and dignified shelter and settlements, rather than become an end in itself.

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