OVERVIEW
With speeds of almost 200 miles per hour and water surges up to 20 feet, Typhoon Haiyan struck the Philippines in November 2013, affecting 14 million people, destroying 550,000 homes, and damaging another 550,000, according to the Government. CRS received $12 million toward shelter recovery, and has been operating from field offices in Tacloban (covering Palo, Tolosa, Tanauan, Burauen and Tabontabon) and Samar (Lawaan, Giporlos, Quinapondan and Salcedo). To explore shelter strategies that would also benefit local markets, we conducted a cash transfer pilot study that enabled program participants to purchase shelter materials and hire workers themselves. We trained the participants in disaster-resilient construction techniques and required them to demonstrate completion of each phase according to the construction techniques before the next cash disbursement was made.

METHODOLOGY AND FINDINGS
To assess participant satisfaction, we conducted interviews with 61 of the 67 pilot households in both provinces after completing at least one phase of construction. For comparison, 25 households in Leyte and 25 households in Eastern Samar that had received direct construction help were interviewed. In total, 111 interviews were done—61 for cash-for-shelter, 50 for direct construction.

CASH-FOR-SHELTER
Cash payments: We asked participants if they preferred to receive cash payments through direct cash transfers or through a local remittance agency (Palawan Express). All Samar beneficiaries preferred direct cash transfers. Most participants in Leyte (96% of the first 24 participants, and 77% of the full group of 48 cash-for-shelter pilot participants) preferred to continue receiving their payments from Palawan Express.

ADVANTAGES OF MARKET-BASED APPROACH
• Program participants control the materials and the design used in their shelter.
• Program participants hire and manage their own labourers.
• Less staff time is needed per participant once the approach is scaled up.

IN THE RIGHT MARKET CONTEXT, cash grants are more effective because their flexibility allows program participants to play an active role in their recovery.

DUE TO POSITIVE RESULTS OF PILOT, CRS is scaling up use of cash-for-shelter approach in other areas affected by Typhoon Haiyan.

On the eastern side of Leyte Island, CRS is providing people with staggered cash grants to repair or rebuild their homes, with subsequent payments conditional on agreed-upon construction progress. Jennifer Hardy/CRS
Spending: Our interviews revealed that male heads of household are the primary actor in making financial decisions, with 49% of households reporting that the husband decides how money is spent and 34% reporting that it is a joint decision between husband and wife.

Markets: Respondents in Leyte (62%) purchased their materials from both the municipal markets (15 minutes from their homes) and the regional markets (45 minutes). The remainder purchased their materials directly from only the municipal markets. No one reported purchasing construction materials from a store located within their barangay. Although most participants in Samar purchased all of their materials from markets located within 1 hour of their homes, one of 13 interviewed reported traveling to Tacloban in Leyte province, a journey of 2-3 hours, to purchase shelter materials.

Problems with cash transfer: Some beneficiaries in Leyte and Samar (41%) reported that prices were higher after the typhoon, and others (20%) reported problems with access to markets, including unavailability of essential construction materials or slow delivery of materials. Some (22%) also reported a lack of high-quality materials in the markets. CRS worked with participants to address these issues.

DIRECT CONSTRUCTION

Satisfaction with design: The majority of participants who received direct construction assistance reported a high level of satisfaction with the design of their shelter, with 88% stating that they were “somewhat satisfied” or “very satisfied” with the design. Those who were not satisfied with the design felt that the walling material (lightweight woven bamboo) was not sturdy enough. Most beneficiaries (58%) plan to add an extension to their shelter, and 20% would like to change either the woven bamboo walling to plywood or the coconut lumber posts to hardwood.

Quality of materials and labor: Almost all respondents were satisfied with the quality of materials used to construct their shelter, with 94% “somewhat satisfied” or “very satisfied” with material quality. Many felt that the CGI sheeting was high-quality and thick. Most participants (88%) were “somewhat satisfied” or “very satisfied” with the carpenter services that they received. Those who were dissatisfied reported that the carpenters hired by CRS did not build the house to their standards.

OVERALL RESULTS

Preferences in hiring labor: Cash-for-shelter beneficiaries were able to hire their own labor, while direct construction beneficiaries were provided with carpenters hired by CRS. Both groups expressed a slight preference for the implementation approach that they participated in, with 58% of cash-for-shelter beneficiaries expressing a preference for hiring their own carpenters and 50% of direct construction beneficiaries expressing a preference to have carpenters hired for them. It is worth noting that 29% of cash-for shelter beneficiaries and 18% of direct construction beneficiaries expressed a desire to build their home without the assistance of a carpenter.

Preferences in type of assistance: 94% of respondents preferred to receive cash or a combination of cash and materials, and among direct construction recipients, 52% preferred to receive cash or a combination of cash and materials. Of those who preferred cash, almost all said they liked being able to choose their own materials and shelter design. Those who had received direct construction and preferred to have their house built by CRS were concerned about budgeting the money or about the amount of time needed to purchase the materials themselves.
Dhapne Diane Ronda’s family received staggered cash grants to construct their home and had frequent visits from CRS engineers to ensure they used proper building techniques to build resilience to future disasters. Jennifer Hardy/CRS
ANALYSIS OF FINDINGS

Overall, participants preferred cash transfers over direct construction, in terms of choice, timeliness, and materials and design. The advantages of the cash-for-shelter approach for all stakeholders were articulated as follows:

- Beneficiaries control the materials and the design used in their shelter.
- Beneficiaries hire and manage their own labourers.
- Once the approach is scaled up, less staff time is required per beneficiary.

Challenges have also been identified, and based on the results of the pilot survey, CRS staff have proposed and implemented the following to address these challenges:

<table>
<thead>
<tr>
<th>Advantages</th>
<th>Challenges</th>
<th>How challenges were addressed</th>
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<tr>
<td>Increased autonomy of program participants</td>
<td>Beneficiaries may not choose high-quality materials.</td>
<td>Market assessments identified key shelter construction materials that were unavailable or of insufficient quantity or quality in local markets, and then CRS procured them for distribution in conjunction with cash transfer.</td>
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<td>Beneficiaries may purchase items that are more expensive than in the budget, such as plywood instead of amakan, which would affect the overall budget.</td>
<td>Orient beneficiaries on the budget expectations and requirements necessary to qualify for each tranche.</td>
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<td>Beneficiaries may spend money on food or other priorities.</td>
<td>BOQs and demo shelter(s) are provided for beneficiaries to visually see what they could buy and build for the noted price.</td>
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<tr>
<td></td>
<td>Beneficiaries may not construct shelters according to proper construction techniques.</td>
<td>Beneficiaries oriented on the budget expectations and requirements necessary to qualify for each tranche.</td>
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<td>Cash-for-shelter implementation took approximately 7 weeks from registration until completion of shelter due to delays in beneficiary-led construction.</td>
<td>In response to beneficiaries’ request after the pilot for additional training, CRS has expanded the training on “Building Back Safer” methodologies. Further, IEC materials with instructions written in local language and graphics are distributed, and ongoing technical support is provided during the construction phase.</td>
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<td>Reliance on market economy</td>
<td>Vulnerable or inexperienced beneficiaries may be taken advantage of by vendors.</td>
<td>CRS vets vendors before project implementation and discusses common market prices with vendors and beneficiaries.</td>
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<td>Limited availability of skilled carpenters.</td>
<td>CRS trains and mobilizes additional carpenters which are then recommended to beneficiaries.</td>
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<td>Market prices may fluctuate depending on supply and demand.</td>
<td>Ongoing market assessments may be necessary to determine if the amount of the cash entitlement is sufficient. A phased approach is being used (100 beneficiaries receiving cash at a time) in order to not cause spikes in market prices as a result of demand.</td>
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CONCLUSIONS

Given the right market context, cash grants can be effective and flexible in meeting the needs of affected families. By using a phased approach and coupling cash transfers with trainings in construction techniques, CRS found cash to be a positive incentive that enabled adoption of “Build Back Safer” techniques. Due to the positive results of the pilot, CRS is scaling up use of this approach in other areas affected by Typhoon Haiyan areas. As of June 24, 2014, nearly 1,200 program participants had received the first phase of cash disbursements in Leyte, and more than 12,000 participants had been registered for assistance in Leyte and Samar.