



Household Cash Transfer Assessment
Typhoon Haiyan Recovery Response

Promoting Resilient and
Sustainable Livelihoods

JUNE 2015



Overview

An estimated 16.1 million people were affected by typhoon Haiyan, with 1.1 million damaged or destroyed homes and as many as 4.1 million people displaced – nearly four times as many as those left homeless by the 2004 Indian Ocean tsunami. At least 6,300 people lost their lives and another 5.9 million workers lost the sources of income to support their families.

This report documents the operations of CARE's Household Cash Transfer (HHCT) Program in Leyte, Western Samar and the four provinces of Panay Island (Capiz, Iloilo, Aklan and Antique) during the period from March to December 2014. The HHCT Program was initiated by CARE to address the needs of the survivors of Typhoon Haiyan.

CARE's overall Haiyan recovery response is integrated and multi-sectorial. The food security, shelter reconstruction and livelihoods components of the response are expected to contribute to the overall Program Goal, which is:

"Affected communities (men, women, boys and girls in Region 6 and 8) have recovered, built back safer and have increased resilience."

Program Background

CARE's livelihood assistance program aimed to reach the most vulnerable families in villages assisted previously by the food distributions and emergency shelter program.

Household targeting was undertaken for the first round of cash transfers (CT1) using an economic and vulnerability selection tool. Barangay Selection Committees —comprising of women, men, younger and older people— managed the targeting process under the guidance of CARE and its partner-organizations.

Household livelihoods assistance was provided to 27,040 households across 17 municipalities in Leyte (8), Western Samar (1) and Panay (8). CARE selected the most vulnerable households with the lowest monthly income to benefit from the livelihoods cash grant. Selected households nominated a household member to participate in seminars on improved money management and livelihoods planning. Once a simple business plan has been completed, families receive about USD181 (PhP8,000) in two installments to (re) start a quick-impact livelihood or income-generating activity (IGA) over a 6-12 month period.

The program was implemented in partnership with seven NGO partners who have active presence in the provinces assisted.

The Haiyan response was the first time that CARE undertook cash transfer programming on a large scale in the Philippines. This assessment report aims to provide analysis, indicate additional findings about livelihood outcomes, and identify lessons learned from the program.

The assessment used the framework of the Development Assistance Committee (DAC) Principles for Evaluation. The five DAC evaluation principles — Relevance, Impact, Effectiveness, Efficiency and Sustainability— are used throughout this report as the organizing framework for the key findings of the assessment.

Study Methodology

The methodology for the assessment maximized both quantitative and qualitative data gathered throughout the implementation of the program. Data was collected at three key points during implementation: (a) quantitative data from all households (IGAV1) and qualitative data (FGD1) from selected communities one month after the first tranche; (b) quantitative data from 50% of households (IGAV2) one month after the second tranche; and (c) in-depth qualitative data collection at least six months after the beginning of the cash transfer assistance.

Data collection methods included: (a) *Income Generating Activity Verification (IGAV)*, a CARE-developed rapid household data gathering tool to track cash transfer utilization, including IGA choice, expenditure, income generated from IGA and valid adherence to program conditions to determine eligibility for the second cash transfer; (b) *Community-level Focus Group Discussions (FGD)* to investigate overall program design, targeting, orientations, cash distribution, livelihoods challenges and economic



outcomes; and (c) *Key Informant Interviews with vulnerable people and non-beneficiaries (KIIs)* to determine the extent that the program met the needs of vulnerable people and identify their unique challenges.

As CARE planned to gather data from all households using the IGAV tool, the targeted sample collected for the first round (IGAV1) was between 90-100% of all households assisted. In the second round, CARE decided to reduce the data sample to 50% as first round results indicated that program conditions were being met. In terms of the FGDs, CARE ensured that the number of participants exceeded the sample required for the total program population.

Key Findings

Relevance. Overall, the design of the HHCT Program met target group needs and donor requirements. The HHCT is considered appropriate to kick-start and expand IGAs to support livelihoods recovery.

Strong community support. Assessment findings indicate strong community support (both from recipients and non-recipients) for the approach. FGD respondents overwhelmingly supported cash as the preferred mechanism for assistance for the livelihoods intervention. Interestingly, respondents claimed to appreciate cash transfers because people were able to invest in livelihoods and also spend some money on basic needs such as food, medication and other basic household items.

Timeliness of implementation. CARE's HHCT was timely as people were ready to restart livelihoods as the emergency phase was ending. In 24 of 40 sampled barangays in Leyte, Samar and Panay, beneficiaries utilized the capital from CARE to either restart or continue farming and non-farming livelihoods, e.g., pay for land preparation and planting activities, purchase fertilizers and pesticides, purchase raw materials for handicrafts enterprises, and buy stocks for sari-sari store re-openings. On the other hand, beneficiaries in the other 16 barangays began their chosen livelihoods only after the CARE transfer, thus utilizing the cash grant as their initial or sole source of capital.

Summary of key findings: on household cash transfer

- The design met target group needs and donor requirements.
- The program produced a number of positive impacts, direct and indirect, and intended or unintended.
- Program participants were able to consider, assess and choose IGAs that took into account the needs of men, women, boys and girls in the household.
- Cash is more efficient to deliver compared to in-kind transfers.
- There is emerging evidence that the benefits of the HHCT will be sustained beyond the end of the program.



Appropriateness of cash transfers. Cash transfers were particularly appropriate, given that markets were able to function shortly after the typhoon had passed. Cash gave flexibility to budget and allowed beneficiaries to bargain for and choose inputs of good quality that they are already familiar with.

Uneven provision of technical assistance. Due to limited time and capacity during the post-emergency phase, CARE and its partners were not able to provide all of the technical support needed by recipients in agriculture, fisheries, trading and other value chain-



related issues. At the same time, partners were able to provide limited sessions on disaster risk reduction and livelihoods in Leyte and Panay. CARE and partners also coordinated closely with Municipal Agricultural Offices (MAO) in target areas for the latter to provide technical assistance to the different livelihood activities established/restarted by beneficiaries.

Impact. Overall, the HHCT produced a number of positive impacts, direct and indirect, and intended or unintended.

Use of coping mechanisms reduced. In the aftermath of Haiyan, the majority of coping mechanisms employed by residents related to modifying food consumption of the households, e.g., limiting meal portions, purchasing less preferred items, borrowing food.

Very few respondents used erosive coping mechanisms, such as sale of assets or sending family members away to work.

Although direct attribution of this change to CARE's intervention may be overly-ambitious, it is nevertheless true that the development interventions in these barangays are mainly from CARE and its partners.

Improved extra-familial relationships. In a number of barangays, residents have engaged in group IGAs and practiced some form of "bayanihan," such as, land clearing and planting and construction of pig pens and sari-sari grocery stores. Beneficiaries stated that engagement in group IGAs promotes sharing of ideas, more effective and efficient completion of work, and unity and camaraderie.

Insecurity of residents reduced. The HHCT reduced Haiyan-induced insecurity among residents by enabling them to establish IGAs that, at the minimum, addressed the food needs of the household. The cash assistance also reduced indebtedness as beneficiaries did not have to borrow money or pawn assets.



Cash transfers utilized for livelihood. Almost all (95%) households spent at least 80% of the cash grant within one month of distribution in IGAV1. Pig and chicken raising were the most popular IGAs. The majority of households saved cash for additional chicken and pig feed in the latter stages of the growing cycle. At the same time, recipients in some

**“CARE’s livelihood support allowed me to buy and sell fruits and vegetables.
My earnings help me to save for my children’s education.”**

-Nely Pedro, Barangay Oloc, Laua-an, Antique

communities were not immediately able to purchase chicks and piglets due to high demand.

In terms of expenditures, piglets, chicks and feeds recorded the highest number of responses.

“Other expenditure”, which ranks third, refers to livestock-related costs (70%), such as medicine, and construction of pens, while the remaining 30% is related to other livelihoods, such as sari-sari stores, fishing and retail.

In farming IGAs, seeds were the major priority with fertilizers as the second expenditure. Raw materials expenditure relates to items purchased for IGAs, such as, fishing, food processing or vending.

Productive assets acquired. As a result of the cash assistance, beneficiaries were able to acquire productive assets, such as, animals/livestock and farm/fishing tools and equipment.

Effectiveness. Overall, program participants were able to consider, assess and choose IGAs that took into account the needs of men, women, boys and girls in the household.

Households chose IGAs that were within their capabilities. Generally, recipients chose IGAs that were familiar, which they had been implementing in the past. IGA planning sessions had little influence as residents had already chosen their IGAs prior to the sessions.

The top five IGAs chosen by program participants for both cash transfer 1 and 2 are hog and poultry raising, sari-sari store, rice farming and fishing. There are no significant shifts in IGA types from IGA 1 to IGA 2.

Pig, chicken, sari-sari and retail activities remained to be the most important IGAs pursued. The top five IGAs account for 80% of all activities in IGA 1 and 81% of activities in IGA 2.



Respondents in Eastern Leyte stated that pig and chickens were easy to raise, sell and earn income. These IGAs incur fewer expenses and effort, notably because the animals are fed with household and agricultural byproducts. In rice producing areas, particularly Basey in Western Samar, associations were formed to manage rice production and selling, with the objective of community self-sufficiency. Rice credit or lending is an IGA normally undertaken by women and is convenient and easy to manage as women can combine it with their domestic work.

In Panay, beneficiaries chose their IGAs mainly because of existing knowledge and experience, e.g. hog and chicken raising, corn farming, handicraft, fishing, sari-sari store and retail activities. Accessibility, ease of management and availability of supply were the beneficiaries' major considerations.



Women performed leading roles in IGA activities. Both IGA1 and IGA2 were being led by women at 47% and 53%, respectively. In IGA1, women played an active role in selecting the IGAs for their households - making suggestions for the IGAs to be undertaken, sharing decision-making responsibilities, and leading certain IGAs. In IGA2, the percentage of women leading increased to 53% with significant increases in all areas except for Leyte East. Assessment results indicate some clear patterns between IGA type and sex. Men lead high intensity farming and fishing activities, while women lead retail and trade IGAs. There is little disparity between men and women leading in livestock-related IGAs.

During the Assessment FGDs, participants mapped out the roles of men, women, boys and girls in the implementation of activities for different livelihoods. The mapping indicated that women undertake more activities than men in each livelihood type except for corn and handicraft, although it did not quantify the level of effort undertaken by men and women for each livelihood type. The mapping exercise also did not include the level of effort undertaken by women in domestic work, which is an additional task to the activities listed in this exercise.

It was therefore normal for beneficiary-households to focus on IGAs that they had experience and existing capacity to implement.

Improved budgeting skills. As the capacity building component and as a conditionality of the HHCT program, participants were required to participate in an orientation session covering effective money management in the household and planning an income-generating activity. The orientation aimed to guide households and communities in choosing realistic, achievable and manageable IGAs and provide advice on household money management and basic budgeting. Due to time constraints, the trainings, which are normally held for two days, were shortened to three hours.

When asked about the knowledge they had gained, most responses cited budgeting, money management and cash flow.

Participants claimed that the additional knowledge and understanding of budgeting and cash flow gained through the trainings has been applied to the everyday lives of the recipients.

Perceived fairness of targeting and selection mechanism. The overwhelming majority of FGDs confirmed that the targeting and selection was clear and fair. The criteria and process for selection were understood and supported by the target communities, resulting in the selection of the most vulnerable households.

Overall feedback from a representative sample (40 barangays) indicates that community members understood the selection process - that they were involved in consultation meetings, that complaints were resolved, and that the most vulnerable households were selected. All communities interviewed recalled meetings with barangay officials, surveys, interviews and scoring of households according to the criteria.

Increasing number of households generating income. The number of households earning income has been increasing. One month after the cash transfer, 19% of households had not only kick-started their livelihoods but also started to earn income. Those IGAs earning from the outset can be characterized as mainly retail, trading IGAs where initial capital is invested immediately and income can be generated on a daily basis. Most IGAs that did not earn after one month were those on a three to six month cycle, such as chicken, farming, pig-raising.

After IGAV2, the number of IGAs earning income had increased from 19% to 32%; and the percentage of people earning between 500-3000Php had also increased from 8 to 11%. Php3000 had also increased from 8 to 11%.

"I thank CARE for the timely support especially the training on money management. I learned to keep track of my expenses and profit to effectively manage my business. "

-Leticia, New Washington, Aklan



More women have also earned income after IGAV2 compared to men. Of the 11,373 responses encoded for IGAV2, 62% of women are earning income compared to 38% of men. This is primarily due to the fact that women are leading short-cycle livelihoods, such as, retail or sari-sari stores.

When asked about the specific uses of the IGAV income, 21 FGDs (out of 40 FGDs) said that the income was used for daily needs (food, education, medicine, utilities), 17 FGDs said that the income was used for IGA working capital, and two FGDs said the income was set aside for savings.

Efficiency. Cash is more efficient to deliver compared to in-kind transfers. Three-fourths of FGDs were of the opinion that cash was the most appropriate mechanism for providing assistance.

Beneficiaries were given option to select livelihood activities. Cash transfers gave beneficiaries complete choice to implement their preferred livelihood, thereby reducing the risk of dropouts or failure often seen with pre-packaged livelihoods programs. Cash also gives recipients the flexibility to pay for transportation costs of larger items (such as cows or carabaos), to choose the specification and quality of inputs and avail of discounts. In farming IGAs, cash enables farmers to purchase cuttings and plant at their own pace, instead of planting all at once.

Recipients were generally able to address IGA start-up and implementation challenges. Some households started their livelihoods on the same day they received the cash, while others needed up to one month after receiving the cash.

Some participants experienced challenges in the preparatory activities, such as lack of chicks and piglets, lack of bamboo for construction of oyster farms, and cancellation of handicraft orders.

Recipients continued to face challenges in implementation, including sicknesses of livestock, bad weather that affected fishing and aquaculture ventures, high-debt levels in sari-sari store and retail enterprises, and others.

All family members helped in the start-up and running of their IGAs with children helping during weekends or after school. In Basey, Western Samar and East Leyte, *bayanihan* enabled communities to undertake projects or group IGAs together, providing mutual and reciprocal support to one another.

Effective monitoring reduced expenditure slippage. CARE minimised 'expenditure slippage' through strong sensitisation in the community and through the IGAV monitoring process that validated household livelihood expenditures.



A complaints and feedback mechanism was in operation throughout the program process, from the initial targeting to the implementation of cash transfer monitoring. Complaints were forwarded to area managers for verification and resolution within 2-3 days upon receipt.

Reduced logistics concerns. The cash transfer approach removed the activities of logistics, quality control and transportation from CARE into the hands of individual recipients. This not only empowered the community recipients but also provided significant cost and time efficiencies for CARE.

The cash transfer approach also enabled recipients to interact intensively with markets, which would not have been possible if CARE had adopted an in-kind distribution strategy.

Delivery mechanism of cash grants to recipients is both customer-oriented and cost-effective. The HHCT cash grant was delivered to barangay recipients by CARE partner microfinance institutions (MFIs) with extensive experience in grassroots banking. While the services of these partner were not free, the arrangement resulted in two major benefits, namely: costs to beneficiaries (time and money) are minimal; and cash leakages are minimized.

Additional advantages involving the partner include: preparedness of the partner to advance cash grant payments; willingness of the partner to “go the extra mile”, e.g., make payments on weekends; and the partner is able to build a relationship with the recipients that can evolve into a creditor relationship in the future.

Mixed reaction to tranche system. CARE’s preparatory analysis had determined that a cash transfer of USD 181 would be appropriate to implement a six-month income-generating activity, such as hog raising, poultry raising, vegetable gardening, rice farming or petty trading. This amount, which represented at least three months of income for a household and was considered by CARE and partners to be a significant amount, was released in two tranches.

A little over half of FGD participants (21 of 40 groups) were satisfied with the two-tranche system, while others preferred a lump sum release. A larger first tranche was also preferred by many implementing IGAs with high initial outlays (that is, rice and root crop

farming and livestock raising), thus allowing the purchase of far more items upfront. Conversely, people involved in retail preferred smaller amounts so that they could budget their money better.

Feedback from all but one of the focus groups noted that the cash distributions were “well organized”, “fair” and that vulnerable people such as the elderly, pregnant and lactating women, and persons with disabilities were prioritized for receiving the cash. Distributions were completed in an orderly and timely fashion (most in less than two hours) and conveniently carried out in the 220 barangays served under the HHCT program.

CARE collaboration enhanced sustainability of partners’ operations. CARE partnerships with MFIs enabled these institutions to continue operations and generate additional income through management fees. The additional assistance to HHCT beneficiaries (a number of them loan recipients of these MFIs) also enabled them to rehabilitate their micro businesses through the infusion of HHCT funds.

Sustainability. There is emerging evidence that the benefits of the HHCT will be sustained beyond the end of the program.

Group-based IGAs emerging. In a number of areas (notably, Leyte and Basey), a number of group-based IGAs have been formed to provide common services to improve efficiency and productivity in agriculture.

For example, there is a shift from household level support to a pooling approach for agricultural, community-based value chain infrastructure or rice facilities. Significant emphasis was put on the group IGA approach by organizing community members into livelihoods clusters. The second household cash grant is divided into two portions: PhP3,000 for individual IGAs, while 2000PhP was used for the group venture.



New livelihood skills for women recipients. A large number of women have confirmed that they are implementing new livelihood activities and, in the process, learning new skills to sustain these livelihood activities.

These new skills enable the women to link to CARE’s longer term livelihoods approach in the future.

Appreciation of livelihood diversification to mitigate disasters. Recipients have expressed appreciation for livelihood diversification to better manage disaster risks, particularly to increase food security. For example, coconut-dependent households have verbalized the importance of other crops, such as upland rice, corn, root crops and vegetables.

Learnings and Recommendations

In Program design

- CARE should continue to be open to provide both group and household livelihoods assistance. The comparative value of individual household versus group IGAs should be investigated further in the mid-term evaluation.
- Cash transfers should be synchronized with the timelines and milestones of specific livelihoods.
- CARE should study further the provision of cash assistance according to livelihood type and degree of disaster impact, while recognizing that providing different amounts to different households could result in community tensions.
- CARE should pilot more gender-transformative approaches as part of future HHCT responses, such as, gender awareness sessions, women in non-traditional IGAs, interventions to reduce women's domestic work, and awareness sessions with men to address behavior change.

Targeting and selection

- Sensitization of the community on the concept of relative vulnerability and needs is important in future programming and should be a focus of partner capacity building in the future.
- The harmonized scoring tool (HST) is viewed as easy-to-use and objective by communities in prioritizing the most vulnerable for targeting and selection. However, the results of the tool should be interpreted with common sense and contextual information before final selections are made.
- Two different approaches were used for gathering data for beneficiary targeting: house-to-house interviews (Panay) and the community-led approach (Leyte). The comparative value of these two approaches should be investigated further in the mid-term evaluation.

Capacity building

- With the demands of the cash transfer phase largely completed, CARE should consider conducting additional sessions on DRR for livelihoods, market awareness, micro-insurance and linking to markets and services.
- A major limiting factor for livelihoods recovery is lack of information, awareness and understanding of the value chain. In the future, CARE should design a capacity-building strategy for the early recovery phase.

Monitoring and evaluation

- Capacity-building of partners in the administration of FGDs and KII questionnaires is required to improve the quality of beneficiary responses.
- Partners should visit all barangays at least once immediately after the cash distribution and thereafter, at least once per week.
- Future application of the IGAV should focus on statistically-significant samples (e.g., on a province-wide basis) to be assigned as the caseload of one partner. This arrangement would make data collection and analysis more manageable.

Conclusion. The people assisted by CARE's household cash transfer program were selected in a fair and transparent way.

CARE and partners were able to support people to restart and diversify their livelihoods, learn livelihoods planning and money management and establish and manage individual and group-led activities.

Nine months after the majority of households received their first cash transfer, the results are positive. Over 90% of households used the cash for valid livelihoods spending and over 38% of households are already earning income from their initial cash grant of 8000Php.

Women were key players in every aspect of CARE's program, performing active roles in the BSC and participating in orientations and community meetings. The percentage of women leading IGAs increased during the life of the program, with 53% of women leading and trying for the first time livelihoods activities such as retail, vending and sari-sari stores.

Over 480 people in 40 discussions stated that there was a reduction in negative coping mechanisms since the program started. Although it would never be possible to directly attribute this change to CARE's program, other findings point towards CARE's impact being significant enough to have been largely responsible for a reduction in negative coping strategies over time.

There is strong support for cash as a mechanism for assistance and the flexibility it brings. Cash enables households to change strategy and pay for expenses that are not normally part of traditional humanitarian packages, such as labor. As people's income-generating activities continue to develop and grow more resilient, CARE's ongoing livelihoods program—which focuses on value chain enhancement and enterprise development—will complement the HHCT in providing services to communities to add value to their livelihoods and to support them in raising their awareness and interaction in local markets.



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