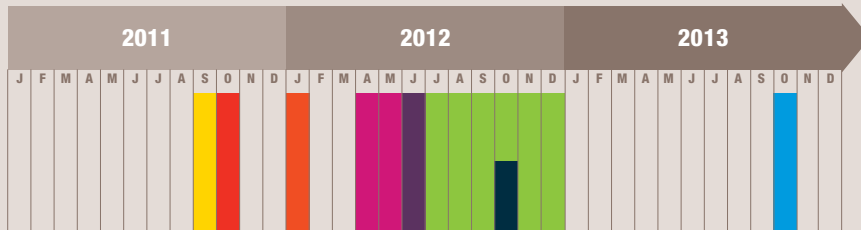


Cash transfer programme fact sheet

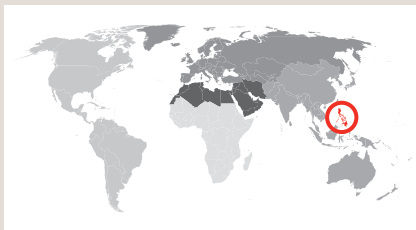
Philippine Red Cross

Typhoon Nesat and Nalgae response programme 2012

Humanitarian context



- September 2011 ■ Typhoon Nesat
- October 2011 ■ Typhoon Nalgae
- January 2012 ■ Needs assessment
- April – May 2012 ■ Establish community committees and start household selection
- June 2012 ■ Start of cash disbursement
- July 2012 – December 2012 ■ On-going programming
- October 2012 ■ Internal programme review
- October 2013 ■ External review of cash transfer programming in the Philippines from 2011 to 2013



Project details

National Society	Philippine Red Cross
Appeal code	MDRPH007
Objective(s)	Support the livelihoods recovery of typhoon affected households
Duration	April 2012 – December 2012
Location	Aurora, Ifugao and Quirino provinces
Cost	987,500 Swiss francs (CHF) (43,450,000 Philippine peso (PHP)) ¹
Main sectors	Livelihoods support
Number of households	3,000 households planned 2,100 households reached (Fewer households reached due to the programme not being fully funded)
Selection criteria	<ul style="list-style-type: none"> • Tenant farmers with less than one-hectare of cultivable land • Landless agricultural labourers • Riverine and coastal fishermen • Fish farm labourers • Socially and economically vulnerable households • No similar or previous assistance being received
Main activities	<ul style="list-style-type: none"> • Needs assessment • Establish chapter livelihoods teams • Establish community committees • Participatory vulnerability mapping and household selection • Identify cash service providers • Information campaign for households • Disbursement of grant installments • Monitor cash disbursement and use • Internal programme review
Key outcome(s)	Coping mechanisms of 2,100 typhoon affected households is improved through cash-based solutions for enhancing livelihoods opportunities
Number of staff involved	Total: 15 (International Federation of Red Cross and Red Crescent Societies: 1, Philippine Red Cross: Staff 5, volunteers 9)
Other Red Cross Red Crescent Movement involvement	<ul style="list-style-type: none"> • Technical support: IFRC and British Red Cross • Funding: AusAID
Assessment information used	<ul style="list-style-type: none"> • Needs assessment conducted by Philippine Red Cross, IFRC, and British Red Cross

1. Average exchange rate over the project period: CHF 1 = PHP 44 (www.oanda.com)

Project description

Context and programme choice

In 2011, the Philippines was struck by typhoons Nesat and Nalgae in September and October respectively. The two typhoons had a devastating and disruptive impact on the lives and livelihoods of more than a million people, mostly in the northern and central regions of Luzon Island. Agriculture, the main source of livelihoods in the region, was severely impacted and 71,500 houses were damaged or destroyed.

In the immediate aftermath of the typhoons, the Philippine Red Cross launched an emergency relief programme to cover the immediate needs of the typhoon-affected households. Following the emergency relief operation, the Philippine Red Cross launched an early recovery programme through which it provided typhoon-affected households in the provinces Aurora, Ifugao and Quirino with conditional early recovery grants to invest in their livelihoods.

Assessment and programme design

In January 2012, the Philippine Red Cross, supported by the IFRC and British Red Cross, conducted a detailed assessment to gain a better understanding of the livelihoods needs of typhoon-affected communities. The findings indicated that thousands of previously economically vulnerable households were struggling to cope with the impact of the typhoons as many had incurred a significant income loss due to crop failure. This loss was aggravated by a poor harvest or the lack of employment for labourers during the harvest season.

The Philippine Red Cross and IFRC agreed that conditional, early recovery cash grants were a suitable tool to re-establish and improve the livelihoods of the affected households. It was decided to focus the programme on the heavily affected provinces of Aurora, Ifugao and Quirino.



Aquilino Libanon receives his cash grant from a staff of the Philippine Red Cross through a remittance company.

Conditional cash grants were provided to the households to purchase items necessary for their livelihoods recovery. Households could purchase assets, tools, livestock, farming inputs or stocks for petty trade. Households intending to use the grant to invest in petty trade activities received PHP 8,000 (CHF 182), while households that intended to invest in agricultural or fishing activities received PHP 10,000 (CHF 227).

The value of the grant was set according to the Philippine Red Cross estimation of the investments required to restart the livelihoods activities. The lower limit for proposals for non-farming or non-fishing activities was set with the intention to avoid overcrowding of petty trades. The cash grant was not intended to cover all the costs of starting an activity, but to provide a significant contribution to help the households get back on their feet. The Philippine Red Cross used two remittance companies to facilitate the disbursement of the grants (LBC Express and GCash).

Household selection

Five member community committees made of representatives from the community conducted the household selection. A minimum of three members had to be female with no more than two barangay² officials. These committees were formed to foster community participation, uphold fairness in the household identification process, follow-up and ensure households fulfilled the conditions, capture feedback and address grievances. The selection process entailed prioritization of the most vulnerable households based on:

- prioritizing farmers with less than one-hectare of rice, corn or vegetable cultivation as their prime source of income;
- landless agriculture labourers who did not have tenancy rights and depended on labour as their primary source of income;
- riverine fisher-folk who used non-motorized craft and who had lost their fishing gear due to the typhoons;
- labourers on fish farms;

Cash-based programming facts

Total transfer amount per household	<ul style="list-style-type: none"> • PHP 10,000 (CHF 227) for farming and fishing activities • PHP 8,000 (CHF 182) for petty trade activities
Number of payments	Two instalments
Value of cash transfers as percentage of total project cost	88 per cent
Modality	Conditional cash grant
Payment mechanism	Cash transfer through a third party (remittance companies)
Method of setting value of cash transfer	Philippine Red Cross has comprehensive cash transfer programming guidelines covering each cash transfer intervention with recommended values. Conditional cash for livelihoods recovery was set as a two-phase transfer with a value of up to PHP 10,000 (CHF 227) per household, as informed by the national poverty threshold of PHP 9,385 (CHF 213).
Partners/service providers	<ul style="list-style-type: none"> • Remittance companies: LBC Express and GCash • Local government
Service provision charges	<ul style="list-style-type: none"> • LBC Express: <ul style="list-style-type: none"> - PHP 50 (CHF 1.15) fee for payments smaller than PHP 5,000 - PHP 100 (CHF 2.30) for payments larger than PHP 5,000 • GCash: PHP 75 (CHF 1.70) for every transaction

2. Barangay is the smallest administrative division in the Philippines and is the native Filipino term for a village, district or ward.

- coastal fisherman who used non-motorized boats and who lost their fishing gear or worked as labourers;
- socially vulnerable groups such as female-headed households and indigenous communities cultivating on reserves that were affected by the typhoons; and
- shelter vulnerable households who had not been able to reconstruct their homes.

The main tool used during household selection was social mapping. This process required elected officials, community leaders and Red Cross volunteers to map all the households that met the Philippine Red Cross' household criteria and rank them based on their vulnerability. In total, 2,100 households were selected to be part of the conditional cash grant programme.

Programme implementation

The selected households were provided with Philippine Red Cross identity cards. Thereafter each targeted household prepared a business proposal which was screened and validated by the Philippine Red Cross. Validation of proposals was done through a participatory approach with the community to ensure and check activities proposed were viable in the local economy. Once validated, the business proposal was noted on the household identity card determining the value of the cash grant they would receive.

The grant was to be disbursed in two instalments. The first instalment was disbursed within three weeks of proposal generation and validation. It had to be spent within two weeks of the disbursement according to the business proposal. The second instalment was disbursed two weeks after the first instalment pending satisfactory utilization of the first instalment. If the first instalment had been spent on items that were not in accordance with the business proposal, the second instalment was not disbursed.

As soon as the first instalment had been disbursed, the Philippine Red Cross started

with monitoring activities. The teams were tasked to conduct at least four monitoring visits to each community and liaise with the community committee. The community committees were asked to provide feedback on whether households were using the grants as outlined in their respective proposals. They were asked to report progress, cases of non-compliance, challenges and delays. A beneficiary feedback mechanism was included to address grievances and to capture what was working well so that good practices could be documented for future programming.

Programme outcome

In October 2012, upon the completion of the livelihoods intervention, the British Red Cross conducted an internal programme review. The review noted that 97 per cent of the assisted households had complied with the conditions and had invested in livelihood activities. Less than three per cent (56 households) had not complied and therefore did not receive their second instalment. The household selection process and community monitoring proved to be important contributors to this high compliance rate.

Households used the grants for activities such as farming (corn, rice, vegetables), fishing, animal rearing (buffalos, cows, hogs, pigs, goats, ducks, chicken) or petty trade. The internal review suggested that the programme was successful in not only supporting households to re-establish and diversify their livelihoods, but also to strengthen their activities.

One limitation faced was that some households wanted to change their business proposal as the environment and context were changing. However, they were concerned that they would be excluded from the programme if they changed their business proposal because it was noted on their identity cards. Based on this, the Philippine Red Cross has since adjusted its approach to enable on-going understanding of livelihoods in the local economy.

Reflecting on our learning...

The key learning points from this programme for the National Society can be summarized as follows:

1. The amount of time needed to review the appropriateness of households' livelihood proposals was underestimated, which meant that some less feasible projects were approved. The Philippine Red Cross realized that they could have revisited the proposals following the flood to ensure continued relevance and cost effectiveness.
2. From the households' side, changes to livelihood proposals were avoided for fear of contradicting the grant conditionality and being excluded from the second instalment. Greater sensitization is needed in the future and has been included in subsequent Philippine Red Cross cash transfer programmes.



A woman packs corn that she harvested from her garden using her livelihoods grant.

Cash transfer programming is now a worldwide trend, so we should also think of innovative ways. Adapting cash transfer programmes will become a lift for the Philippine Red Cross.

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