

case study



Revitalising communities with cash grants

The devastation caused by Cyclone Sidr in November 2007 seriously affected the lives of millions of people living in the coastal areas of south-western Bangladesh. With wind speeds reaching 260 km per hour, and heavy rain, the cyclone caused massive destruction, with an official death toll of 3,447. Thanks to 40,000 volunteers from the Bangladesh Red Crescent Society (BDRCS), more than 2 million people were evacuated from their homes. But thousands more were left homeless and unable to resume their livelihoods or traditional activities.

Immediately after the critical emergency response, the BDRCS and the International Federation of the Red Cross Red Crescent Societies (IFRC) designed a comprehensive early recovery programme, to enable some of the worst-affected communities to start rebuilding their lives. A key part of that overall programme was the livelihoods programme, which helped community members to re-establish their livelihoods.

This briefing documents the experience of livelihoods programme. It highlights good practice, key achievements, challenges faced and learning points. An accompanying briefing, *Rebuilding lives with shelter grants*, summarizes the work of its sister programme, the shelter programme.

What was the programme?

The livelihoods programme was designed to give families the means to replace or repair livelihood assets that had been lost or damaged by Cyclone Sidr. Ultimately, it aimed to restore people's livelihoods and to ensure that those livelihoods were sufficiently sustainable and resilient to withstand future disasters.

The programme focused on two central activities. The first was to distribute conditional cash grants, to enable beneficiaries to repair or replace their assets. The second was to provide tailored training to improve beneficiaries' knowledge and skills of recent developments within their particular sector (for example, agriculture, fisheries, livestock management and small commerce).

How did the cyclone affect livelihoods?

The cyclonic winds, accompanied by heavy rain and flying debris, led to the widespread destruction of physical and social infrastructure, including schools, roads, bridges, power lines, public buildings, communication and transport facilities, as well as family homes, personal property and businesses. It also produced huge tidal surges that caused extensive flooding.

Particularly devastating was the destruction of thousands of hectares of rice paddy fields (which would have been harvested one month later, in December), along with most of the coastal fishing industry, raising fears of food shortages during the coming months. The loss of livestock, and of productive household assets such as rickshaws, vans and small shops, destroyed the livelihoods of thousands of families, leaving them without the means to make a living and support their families.

In response, people had begun attempting to restore their livelihoods either by selling assets or taking out loans (from official or unofficial sources), often looking for alternative livelihoods to generate income to provide for their families. These activities involved people de-capitalising their remaining available assets in order to restart their lives, seriously undermining the household economy and increasing the level of poverty. Without external assistance, it would take many years for these communities to recover.

When the cyclone hit I lost my house and rickshaw. I had nothing left. It was all blown away and smashed.

Abdul Salam,
28-year-old rickshaw driver

What did the programme achieve?

The livelihoods programme ran from early 2008 until November 2009, two years after the cyclone. A total of 4,997 households (approximately 25,000 people) received grants and skills training to strengthen their livelihoods activities.

By the end of the Sidr operation, in November 2009, all the beneficiaries who took part in the programme had rebuilt more sustainable livelihoods. Each had a personal savings account with the local bank, and many had gone on to develop additional plans that would further strengthen their livelihoods and increase their resilience to future disasters.

The programme produced organisational benefits too. It has provided the BDRCS with valuable experience, and developed its capacity in recovery programming and in using cash grants to support people affected by disasters. The BDRCS will be able build on this foundation in the future, to develop its capacity and enhance its provision.

Looking forward

Bangladesh is a country prone to cyclone and flooding, so BDRCS needs to continually develop and improve its strategy to prepare for future disasters. The case study concludes that if the BDRCS develops additional skills, and consolidates the necessary financial systems, it will be able to achieve significantly more sustainable capacity to address the needs of disaster-affected communities in the future. Key actions should include:

- collecting and consolidating secondary data
- carrying out community mapping, coupled with population estimates
- developing arranged recovery models agreed with other actors, with a specific focus on cash grants and training.

This approach would enable the BDRCS to launch early recovery interventions more rapidly because most of the groundwork and preparations would be in hand. More importantly, it would help people affected by disaster to re-establish themselves and begin the process of recovery much more quickly.

A particular recommendation was that that the livelihoods programme should have been better integrated with the other aspects of the wider recovery programme, to increase effectiveness and reduce duplication of work. For example, many beneficiaries of the livelihoods programme were also eligible for a grant from the shelter repair programme. Using the same private saving accounts for both purposes could have saved time and reduced administrative handling.

The BDRCS and IFRC have jointly decided to hold a 'lessons learnt' workshop to review the entire recovery programme. This will provide a valuable forum to analyse what has been accomplished to date, and to develop a more efficient working model for the future. In the future, with continued development, the BDRCS can achieve sustainable capacity to provide a more rapid and effective support to communities affected by disaster.

Initial response and planning

As a key component of the early recovery strategy, the BRDS decided to use a cash grants scheme to help repair damaged homes and restore livelihoods. It based its decision on a detailed understanding of the needs assessment and of how the local markets operate, and the fact that cash was locally accepted to be an appropriate recovery tool.

This was the first time the BDRCS had been involved in any form of cash programming, so the concept raised many questions – for example, around potential misuse of funds, delivery mechanisms, security issues, transparency, accountability, and safety of staff and beneficiaries. After some discussion and deliberation, the decision-makers addressed their concerns, accepted the grants approach. Soon after, preparations to launch the programme began.

The first step was to assess the extent of the damage and decide how to respond. During the emergency relief response (from November 2007 to March 2008), which involved providing food, water, shelter and other essential items, the BDRCS/IFRC began conducting rapid assessments. As a result of the findings, it identified four districts as the most severely affected: Barguna, Pirojpur, Bagerhat and Patuakhali. Combined, these included more than 1 million households.



From these assessments it became clear that an integrated early recovery response was needed to address the broader needs of the affected population, in areas such as shelter, water and sanitation, public health, psychosocial support and livelihoods – the subject of this briefing.

To avoid duplicating activities, the BDRCS and IFRC coordinated with other humanitarian actors and government authorities to define the exact areas of operation. They identified 33 of the most affected and vulnerable rural villages, which they divided into 12 clusters across four districts (three in each district), with an estimated population of 10,275 households (51,375 people).

By April 2008, the BDRCS and IFRC had defined and accepted their multi-sectorial early recovery strategy and plan of action, and the programme was ready to begin.

Learning point

The original expectations of the programme were extremely ambitious. The cash scheme was complex to administer, and there were delays in development and roll-out. Nevertheless, the programme was completed within the time limits of the emergency appeal.

A shorter implementation period would have been possible if the BDRCS/IFRC staff had stronger prior experience, knowledge and skills in cash programming, or if they had sought those additional skills from external sources during the initial planning and start-up phase.

People have benefited – they can make up for their losses. Their livelihood can be sustainable, and their bank accounts are an asset for the future.

Mohammed Keramot Ali,
livelihoods programme manager
for the Cyclone Sidr operation

Community participation

As the BDRCS prepared to launch its livelihood programme, it trained 110 BDRCS volunteers (about 25 from each of the four targeted districts) in community engagement techniques, including household-level assessments, social mapping, livelihoods profiling and data collection.

Through a consultation process with communities, the BDRCS decided to form new ‘community committees’, to facilitate participation in the recovery process. The committees worked alongside BDRCS/IFRC teams to conduct individual household surveys. They also led the (community-based) process to select beneficiaries, helped implement the recovery programme, and were directly responsible for solving any internal disputes or concerns that arose during the selection process.

Each of the 12 committees was made up of about 16 community members, with each village electing two-to-three members as their representatives within their cluster. The committees represented a wide spectrum of the community, including local religious leaders, teachers, health professionals and individual representatives of people at different income levels.

The BDRCS and IFRC did not have a direct involvement in the decision-making processes, as these were left to the community committees. However, they did play a key role by providing information, facilitating community decision-making processes, and being responsible for ongoing monitoring to ensure that processes were credible, accountable and fair.

Learning point

The community committee approach was highly effective, as it guaranteed community participation and responsibilities throughout the various stages of the livelihoods programme, creating a strong sense of community ownership.

Developing and implementing the programme

Once the community committees, BDRCS/IFRC teams and volunteers had received the appropriate training, they started conducting joint house-to-house surveys covering 9,555 households. The results helped determine the impact of the disaster on households' livelihoods, and were fed into the programme design. At the same time, other team members were conducting market surveys, to determine the price and availability of replacement livelihoods assets within the local markets.

Having analysed the data, the team decided that a maximum of 5,000 households – approximately half of the targeted population – would be eligible for the programme. Using the market survey data, they defined four distinct levels of damages or losses sustained to household livelihoods assets, ranging from 3,000 to 15,000 taka (43–215 US dollars/34–171 euro). They decided that eligible families would be entitled to receive cash grants of either 10,000 taka (144 US dollars/115 euro) or 15,000 taka (215 US dollars/171 euro), based on the level of damages sustained. Each grant had to be big enough to enable the beneficiaries to replace assets and re-establish their livelihoods, but small enough to provide grants to as many beneficiaries as possible.

The communities themselves led the process of identifying and selecting beneficiaries, through ongoing assessments, wealth-ranking exercises and internal discussions. The finalized lists were reviewed by the BDRCS before being signed off by the BDRCS/IFRC.

This stage of the process was time consuming. It contributed to the lengthy delays in the roll-out of the programme, and diverted communities from engaging in their own recovery processes and traditional activities. However, by June 2009 all heads of participating households had received an identification card confirming their registration as part of the livelihoods programme.

Participants could either initiate individual projects at the household level or could form common-interest groups of five-to-ten people who could consolidate resources to buy much higher-value assets. To encourage and promote group livelihood activities, The programme offered a 15 per cent incentive to all households that collectivized in order to encourage and promote group livelihood activities, as this was seen to be a more sustainable approach. Female-headed households also received an additional 15 per cent, to encourage female involvement in the programme because these households are identified as among the most vulnerable groups, and are a priority group for BDRCS and IFRC.

Before deciding which livelihoods activities they would like to be engaged in, and how best to use their cash grant, the beneficiaries were encouraged to discuss their options. One week later, BDRCS volunteers returned to the communities and helped the beneficiaries fill in their application forms, highlighting the livelihood activity proposed and the intended use of the cash grant. The BDRCS/IFRC livelihoods team reviewed all project proposals to make sure they were realistic and achievable, before giving the final approval.

I helped people to move during Sidr, but I want to do more. I want to be there always for the community – for my people.

Abdul Razzak,
rice farmer and volunteer

The aim of the programme – to replace lost or damaged assets – inevitably favoured the more wealthy community members who had resources or assets in the first place, thus excluding poorer or more marginalized community members including casual daily labourers, beggars and those without land. In response, the minimum support amount was raised to 10,000 (144 US dollars/115 euro) irrespective of the value of assets lost or damaged.

Learning point

The beneficiary selection process was time consuming and labour intensive. An alternative would be to have a blanket approach that included all households within specific selected communities – or even a pre-packaged ‘early recovery cash grant’ (for the livelihoods and shelter programmes alike). This would raise the economic level of all households equally, and would reduce potential tensions within communities. Meanwhile, in some cases, it could have been possible to compress some of the steps – for example, by producing photo identification as part of the participant registration process.

The cash grant scheme

Once a beneficiary had been formally accepted into the livelihoods programme, he or she was responsible for opening up a personal savings bank account with the local branch of Sonali Bank. Those who decided to form groups opened individual saving accounts too, as joint accounts were not possible. Most beneficiaries were unfamiliar with the banking system, so the BRCS/IFRC livelihoods teams helped them through this process.

The cash grants approach was very positively received. It empowered beneficiaries with choices to buy locally according to their personal needs, promoted self-directed recovery, and restored hope. It also helped to stimulate the local economy while minimising the potentially complicated logistics associated with distributions in kind.

In particular, the use of personal saving accounts was a very transparent and accountable delivery mechanism. It gave many beneficiaries access to financial services for the first time. It also provided participants with direct contact with the banking sector, the opportunity to develop greater understanding of managing their own finances, and a tool to start saving and to make financial plans for their future.

The Red Crescent gave me 10,000 taka (145 US dollars/115 euro), so I bought an old rickshaw for 8,000 taka and with the rest I bought a goat. I now earn around 3,500 taka (51 US dollars/41 euro) a month.

**Abdul Salam,
28-year-old rickshaw driver**



As part of the application process each beneficiary signed an agreement, with terms and conditions, highlighting how he or she planned to use the grant. These conditions were intended to demonstrate good intent, and had no legal implications. They included clauses that reinforced:

- the intended use of the cash grants (according to the purposes stated in the original application)
- the expectation that assets would be retained for at least three years
- the expectation that beneficiaries would regularly deposit at least 2–3 per cent of their profits into the savings account.

Once all the administrative tasks were complete, the teams told the beneficiaries when the funds would be available so that they could make withdrawals, purchase their assets and begin their livelihoods activities. They staggered this process, so that the banks were not overwhelmed with too many customers at any one time.

Two-to-three weeks after the beneficiaries had received their cash grants, the teams visited each household to monitor and document the progress of their activity.

Learning point

The standard procedure for opening a saving account with the Sonali Bank is relatively straightforward, but it requires new clients to deposit a minimum of 1,000 taka (14 US dollars/11 euro). Finding the money to open an account was difficult for some beneficiaries – particularly those in rural areas – resulting in a barrier to accessing these important financial services. To address this, the BDRCS/IFRC negotiated an agreement by which beneficiaries could make a reduced initial deposit of just 100 taka (1.4 US dollars/1.1 euro). This meant that all the beneficiaries could open an account and receive their cash grants.

Training

The final stage of the programme involved delivering training, tailored to each beneficiary's chosen income-generation activity. Activities fell within four main sectors: agriculture, fisheries, livestock and small business. Specific training topics included raising cattle, goat and poultry farming, home vegetable gardening, small-scale and subsistence trading, and rickshaw repairs.

Groups of about 25 people took part in a four-hour training session on a topic relating to their proposed activity. The sessions were delivered by local government experts (extension officers) and focused mainly on best practices, new developments and marketing. They made a particular point of raising awareness of the various support services that were available at the district level.

This component of the programme proved to be extremely useful for all beneficiaries. Not only did it enhance knowledge of recent developments and new techniques within their specific livelihoods sectors; beneficiaries also became aware of many government support services offered by the various extension officers (such as veterinary, agriculture and fisheries) within the local district administration.

Learning point

At the end of each training session many of the beneficiaries exchanged contact details with the various government officers, who would continue to provide them with ongoing support in the future. The evaluation identified this as a very positive activity, and proposed that offering these types of services to all community members, rather than only those participating in the programme, would have an even greater impact on strengthening the economy of the community.

The evaluation also highlighted another area for possible training – financial services. As many beneficiaries were using bank accounts for the first time, training could have been useful to highlight the benefits of savings and to raise awareness of other financial services, such as micro credit and micro insurance.

I never had a bank account before and I thought it would be very hard, but now I know it's not, and I can save some money from my new job. I had never been a poultry farmer before, but everyone around here knows a bit about it.

Abdul Raheem,
40-year-old day labourer

My social status here has risen with my business and the future looks bright. It makes me feel good. I didn't think it would end up like this.

**Abdul Raheem,
40-year-old day labourer**

Summary of lessons learnt

Given the Bangladesh context, the expectation that the overall early recovery programme could be developed and implemented within the agreed timelines was highly ambitious. However, it did meet its objectives.

This programme offered the BDRCS the opportunity to develop skills in two new areas: running a fully integrated recovery programme (of which the livelihoods programme formed a part), and cash programming. The evaluation felt that BDRCS's success in both these areas would act as a springboard for future work.

Because of its concerns around cash programming, the BDRCS initially took a cautious approach. However, by acknowledging addressing these concerns it was able to gain experience and develop a greater understanding and acceptance of the concepts and methodology.

Beneficiaries were very pleased with the cash grant scheme, as this approach allowed them to buy assets locally, according to their personal preferences.

The beneficiary selection process was time consuming and labour intensive. A blanket approach that included all households, or a pre-packaged grant for livelihoods and shelter recovery alike, would raise the economic level of all households equally and reduce potential tensions within communities.

Many beneficiaries felt that the assistance provided by the BRCS/IFRC livelihoods programme was very beneficial and had helped them re-establish their livelihoods activities. However, they said that the support would have been useful earlier (most suggested within one year after the cyclone).

The use of personal saving accounts to deliver the cash grants was very positive, and the access to financial services had an impact on people's lives at many different levels. However, beneficiaries could have benefited from training sessions.

Services to introduce beneficiaries to government officers who could offer livelihood-related support could usefully be offered to all community members, rather than only those participating in the programme.

Overall, if the team had stronger experience, knowledge and skills – either from within its own ranks or from an outside source – a shorter implementation period may have been possible.



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