



**NEPAL CASE STUDY 2023**

# **CVA FOR LATRINES CONSTRUCTION DURING EARTHQUAKE RECOVERY PROGRAMME**

Using cash, vouchers or other market based approaches to reach WASH outcomes

## ACKNOWLEDGEMENTS

This work is the result of collaboration between the British Red Cross Cash Hub and the RCRCM Cash and WASH TWG. The development of the case studies was led by Debora Bonucci (British Red Cross | email: [dbonucci@redcross.org.uk](mailto:dbonucci@redcross.org.uk)) in collaboration with David Delgado and Rupert Gill with financial support from the Cash Hub as part of a work commissioned by the RCRCM Cash and WASH TWG. Key Informant Interviews were conducted with the cash and WASH focal points of the following National Societies: Jeff Otieno CVA Focal Point, Kenya Red Cross, Amar Poudel Deputy Director Nepal Red Cross Society, Kaustubh Dinkar Kukde Programme Management Delegate, British Red Cross, Renas Hussein WASH Program Manager, FRC and Brian Kae Enriquez Philippines Red Cross.



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# INTRODUCTION

## Introduction to the case studies on the use of MBP and CVA for WASH outcomes in the RCRCM

The RCRCM has been implementing CVA and investing in cash preparedness for many years. The Movement is uniquely placed to become a world leader in the provision of CVA in emergencies. The IFRC's Cash Roadmap highlights the IFRC's commitment to increase CVA whilst recognising the need to invest in cash preparedness and organisational mainstreaming to achieve this goal. Since 2012, the IFRC, ICRC and several National Societies (NSs) have been supporting the institutionalisation of CVA within several NSs to help integrate CVA into their disaster response activities.

As stated in the IFRC Plan and Budget 2021-2025, "Cash and voucher assistance is the IFRC's preferred form of material assistance, as a responsive and flexible modality that promotes human dignity, choice and community resilience."

While MBP has been widely used in livelihoods, food security, and relief sectors, the WASH sector has been relatively slow to embrace it. Over recent years humanitarian aid organisations have increasingly used market-based programming (MBP) to deliver water, sanitation and hygiene (WASH) in emergencies. CVA and Market-based modalities include the distribution of cash and vouchers, and this approach has many advantages to enable recipient vulnerable households to access WASH basic needs and services they need more efficiently and effectively, contributing to economic recovery, as well as supporting local WASH markets to deliver these goods and services at humanitarian standards.

MBP in humanitarian settings, such as cash distributions, can provide the support that is more tailored to individual needs. It shifts the focus from in-kind assistance to technical support, community engagement and the support of local economies to recover, rather than disrupting local markets with imports. Still, there is not enough evidence within the RCCM that these approaches have resulted in a positive effect on WASH outcomes. As a result, the evidence, level of expertise, specific training materials, and dedicated tools are underdeveloped and need to be improved and disseminated across the RCRCM WASH sector.



modalities used in the emergency WASH sector within the Red Cross Red Crescent Movement. The documents highlight examples of the application of Market Based Programming (MBP) and Cash and Voucher Assistance (CVA) approaches in delivering humanitarian WASH, for example, latrines rehabilitation using the distribution of cash or the replacement of hygiene items with vouchers in the Red Cross Red Crescent Movement representing various regions and contexts (e.g., protracted conflict, natural disaster, protracted crises, population displacement, epidemic outbreaks, both emergency and longer-term etc.).

The case studies were developed with the intent to provide examples of good practice and demonstrate the breadth and diversity of contexts in which NSs work to provide MBP and CVA for WASH outcomes and identify some common learnings and potential opportunities to NSs that are considering using Market Based Programming and CVA to support WASH outcomes.

## PROJECT DETAILS

**Region:** Asia

**Country:** Nepal

**National Society:** Nepal Red Cross Society

**Specific location:** 14 districts nearby Kathmandu valley

**Year intervention started:** 2016

**The focus of your intervention utilising CVA:** Sanitation, Hygiene promotion, MHM (Menstruation Hygiene Management)

**Response Phase for your intervention:** Emergency, Recovery

**The number of people reached:** 400

**Type of beneficiaries targeted:** Geographically targeted, People with Disabilities, Gender, IDPs, Low Income / low capital, Disaster-affected, Community Group, Peri-urban, Urban, Rural.

**Modality of CVA:** Mixed (e.g. Cash and In-kind)

**Transfer mechanism used:** Mixed Modalities: Cash in Envelopes, Paper vouchers

**Implementing partners:** IFRC, American Red Cross, British Red Cross and UNICEF, IFRC Appeal partners

# BACKGROUND

## A brief outline of the project

The intervention was implemented as part of the WASH earthquake recovery programme which was primarily a water supply and sanitation programme. Cash was used and distributed to the earthquake-affected population during recovery and early recovery for the construction and rehabilitation of household latrines. Sensitisation and CEA (Community Engagement and Accountability) with the community and households were essential parts of the project. Hygiene promotion activities were also important, and vouchers were also distributed to selected households for them to obtain essential hygiene items.

# FINDINGS

## Overview

The first part of the intervention was to develop criteria to enable the NRCS to select members of the affected community and these criteria were shared with the local government. The team followed the wealth ranking done by the Government to establish this. Staff and volunteers would then use these criteria to select the households eligible for the cash distribution. If the household accepts the conditions of the programme, then NRCS would enrol them into the project and start the process of cash distribution for latrines construction.



To allow the construction to take place at a good pace the team organized the training of masons for the construction of latrines and put in place a quality assurance monitoring system.

The team would then distribute the first of two cash instalments. Market materials are the materials the household has to buy for the construction of the latrines (e.g. the list of local construction materials). This is what the first instalment of cash is for.

The team would undertake the technical monitoring and periodic verification of the quality construction latrine (a technician would verify that the latrine is constructed according to the technical guidelines and specifications). After this was completed satisfactorily the second instalment would be paid.

The Nepalese Red Cross follow the cash distribution guidelines for unconditional cash (shelter and WASH).

There were two levels of support offered to households depending on where they were in the wealth ranking based on the selection criteria.

**Soft subsidy:** Subsidized the latrine costs in part. NRCS cover the part cost of the latrine cost (material, skill labour). Households must collect local construction materials and contribute. The amount is 8,000/10,000 Rupees per household.

**Full subsidy:** (earthquake-affected households, very poor, a vulnerable household with disabled people, and children, their income is very low). This must be approved by the local government. Household with latrine destroyed by the earthquake, no previous latrine. Most vulnerable households. The amount, in this case, is

16,000 Rupees that comprise material and Cash.

## Mapping exercise

Before selecting the vendors, the team together with the District Chapter did a mapping exercise of the market (attached Mapping template) based on the vendor's capacity, material and then at least one vendor was selected near the project area based on the demand and quantity of latrines to be build or rehabilitated. From the mapping exercise, the NRCS could select the FSP to support the CVA distribution. The area of intervention was given but the Government and the agreement with the vendors were selected in consultation with District Chapter and the Government

## Quality Assurance and Monitoring

The selection of construction material provided by the vendors was done with the support of the Monitoring Committees and the participation of local government, District Chapters and end users. To ensure the quality of the material the Project Engineers developed technical specifications for quality material type and this was included in the agreement with the vendors.

The software was developed to check and monitor the technical specifications of the material for the construction of household latrines. A system was put in place to monitor the project implementation, and this included checking the quality assurance of the construction material with the support of the project engineers.

## Cash and vouchers

Vouchers were distributed to the selected household for latrine materials. Then they went to the market to purchase materials like cement, reinforcement, latrine pans, mail, and pipe. Cash was also distributed for the payment of the masons to construct the latrines.

The voucher is given to the vendors for a set number of items. The selection of the vendors was determined by assessing the market for hygiene items and then selecting the vendors and developing an agreement with the vendors for about 100/200 households.

## Latrine design selection

The team gave the example of 3 or 4 designs to the households, for the community people to choose an option. If the household chose the recommended design, then the CVA amount was based on the selection of the latrine design option.

For those households that received cash and that had a mason in the house, they can build the latrine by themselves and save the amount on the construction.

Commodity vouchers were given to selected households for them to exchange with a specific list of construction materials and to hire masons. Commodity vouchers have fewer choices and restrict and specify the assistance received concerning other modalities where the recipients can use their masons and buy the material by themselves.

The value voucher has more flexibility – chose cement for example. The households have more choices in the types of materials to get. People preferred value vouchers, as they can have flexibility in the use of Cash.

Instalments were introduced to create conditionality, monitoring the construction and providing further Cash instalments based on the progress of the work.

The people in the community accept and like to use the market to solve their issues. The only problem is

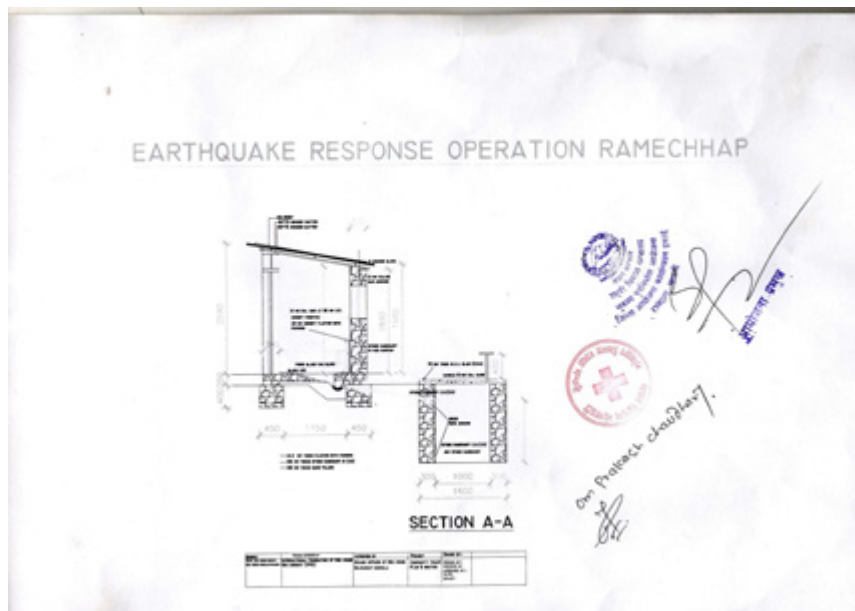
when the market is distant, for example in rural areas, and transportation is costly or difficult then they would prefer in kind. For people living in rural areas is not feasible to give them a voucher due to the lack of a market and the distance to the market. In the initial phase, the team distributed direct Cash and people felt very confident.

In semi-urban areas where people are closer to the market and travel is not an issue then people are keen and happy with the cash modality. Voucher checks were used in agreement with the bank that had branches in the urban areas. The team established an agreement with the bank and people could go directly to the bank to exchange checks with money or the bank could also load the check to the user account.

A commodity voucher is good if the road is good, we need also to provide software hygiene promotion activities. In some cases, NPRCS arranged transport for a group of people to access the market.

In the case when the local market is distressed, the community receive in-kind material, especially in the rural areas where the market is distant and there is limited choice. In semi-urban areas where the market is active, the community members prefer to use unconditional Cash that could be used for WASH and also another purpose. In an urban area where there is a disaster or crisis, the community prefer to use the Cash modality. Conditional cash can be used for construction materials. The expectation in the use of Cash is increasing, but in an acute emergency, phases end users prefer in-kind so they can use it straight away. In rural areas, the community members prefer in kind and this is as well during the acute phase of the crisis.

The programme of Cash and voucher distribution for latrines construction is being replicated in other parts of the country. Before designing the CVA the team did all site mapping and based on the condition met, the team applied the CVA. Community people accepted because they know that it was possible to buy the material in the market. Markets were functioning and the road condition to the market and project areas was fine. We developed and trained existing masons in the communities. All these criteria were met. The acceptance level increased year by year in this case.



*Approved Toilet Design: Nepalese Red Cross Society*

## **Inclusion and PGI**

The design of the latrine included the adaptation for disabled and elderly people. The team established PGI (Protection Gender and Inclusion) fund, and a separate assessment was conducted to identify vulnerable people that needed protection and needed separate support. Provision of CGD (Child, Gender and Disability) friendly latrines was made available to meet the need of people with disability. Support was provided by the PGI funds for those selected households to adapt the latrines to the need of the person with a disability. A full

subsidy for latrines construction was given to the household that needed a different design.

## **CEA - Community and Engagement and Accountability and CVA**

In some locations there has been an instance where we had feedback of misuse of the check, some people were not familiar with the use of CVA and the purpose, and they used the check for other purposes. In other areas, there could be propaganda when we distributed the Cash in the community. The community, sometimes different people create obstacles in the community. So, it is a good practice to put in place implement a community communication strategy. Based on the strategy, a feedback mechanism is like a box where people could provide anonymous feedback. A Toll-free number was created to listen to community members' feedback. A Radio programme to disseminate information on the programme. There is a complaint register and the issue is discussed at the district chapter office, the issue especially the critical ones are discussed and addressed.

## **LESSONS LEARNT**

### **Good Practices**

- The team put in place a robust system for monitoring and quality control in place
- Learning from the programme with information and adapting changes in the future programme.
- The CVA services procurement approach should be mentioned in the finance rules and regulations. The policy environment needs to be enhanced to increase organizational cash readiness.
- We need to have a standby agreement with potential vendors before the recurrent disasters, for example for the recurrent construction material. Then when there is an emergency, the organization can apply CVA.
- We need an agreement with financial service providers based on the country context and the recurrent emergency agreement with the institution, like a mobile banking transfer system.

## **CHALLENGES**

- Faced difficulties in the decision to subsidies the level to affected households.
- It is important to invest time during the selection of appropriate vendors to meet local demand, as this has an impact on the quality of the programme.
- Management and setting up monitoring quality control of materials and implementations in communities is critical to ensure the facilities are built following the technical specification.
- Lacking in the program design of linking to market development such as transportation services, vendors capacity building, supply chain smoothness, etc.
- Coordination and collaboration with local government from the very beginning and making consensus on intervention modalities to support smooth implementation. Since the start of the programme, it is important to engage and sensitize the local government and get their support on co-funding. This approach will help issues down the line of the programme implementation.



- The formation of local management committees including government representatives helps in the monitoring of materials quality and overall implementation. Also, assist in resolving disputes at the local level for the beneficiaries.
- It needs an uninterrupted communication channel with beneficiaries, a system of complaints and resolve and regular review of the program with beneficiaries.

## Bottlenecks

The main bottleneck is the mindset of the Stakeholders, they are not yet used to the modality of using Cash and they have worries about misuse of cash. In Nepal, we have the Cash capacity development programme through the British Red Cross and IFRC and Advocacy and training were provided so now many stakeholders including the government are becoming more familiar with they also developed MBE Minimum Expenditures Basked guidelines and the Government established the Cash TWG where the NRCS is an active member.

Money Transfer types of institutions, community markets, and mobile banking are progressively increasing in the last five years in Nepal but still lack in rural areas. Mobile money transfer is not done yet widely in Nepal, and it is mostly in urban and suburban areas. In rural areas, we need to use checks and vouchers.

Digitalization eGovernance should increase at the organisation level so that we can do the work quickly and we can transfer the money quickly from the bank to beneficiaries' accounts.

Security could be an issue in the rural community because we need to take the cash in bulk, and we needed to request assistance from the security personnel.

It requires a stepwise clear approach to determine the grant value, criteria for the subsidy, market assessment and roles of stakeholders.



## Feedback from the community

Most people were happy with the quality of the CVA for the latrine construction programme was received positively by the end user in the communities.

## Replicability and scalability of the intervention

NRCS has also applied the community procurement system, the community will procure the construction material and NRCS provide Cash to the community. The project team provide capacity building. Community procurement mechanisms can be replicated especially in development and recovery. We need to develop guidelines and they could be adopted by other organisations as well.

The approach can be replicated in rural and urban areas at a large scale based on the conditions of the markets.

Experience in using CVA in emergency, recovery and development programmes. Now we need to develop policy and SoP. NRCS need to develop the CVA guidelines for readiness in CVA and WASH. This should be applied in the acute phase, recovery, and development phases. The plan is to develop the CVA in WASH statutory guidelines with the support of IFRC/ Austrian RC as part of their capacity-building project.

The guideline helps WASH practitioners how to move toward CVA from the traditional approach to responding to an emergency. These guidelines will also help to understand how we can adopt CVA in another area where we work: water supply, emergency phase. We will need support and help from the RCM to make it happen.

## **ANNEX / ABBREVIATIONS**

### **List of abbreviations**

<b>CTP</b>	Cash Transfer Program
<b>WASH</b>	Water Sanitation and Hygiene
<b>RCRC</b>	Red Cross Red Crescent
<b>UNICEF</b>	United Nations International Children's Emergency Fund
<b>CVA</b>	Cash Voucher Assistance
<b>RAM</b>	Rapid Assessment of Markets
<b>IEC</b>	Information, education and communication
<b>HHs</b>	Households
<b>IPC</b>	Infection, Prevention and Control

## **REFERENCES**

1. **Cash SoP guidelines: CVA Technical Working Group at national HQ.**
2. **Contact Person and Lead Organization for this Case Study:** Amar Poudel, Deputy Director | Contact: amar.poudel@nracs.org
3. **Collaborators for this Case Study:** British Red Cross and RCRCM Cash and WASH TWG



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