Tool 1.5 – Are Rental Payments Feasible? - Checklist

# Check List – Feasibility of Rental Payments

Checklist of considerations to determine if rental assistance is feasible

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| **Criteria** | **Key Consideration** | **Yes/No & Comments** | **Mitigations/Notes** |
| Needs  | Financial resources are one of the barriers to accessing the rental housing market to meet shelter needs related to financial resources (e.g. an inability to meet costs associated with: deposit, monthly rental payment, or associated costs such as utilities, household items, transport grant for moving etc.) |  |  |
| Funding | Are there adequate funds from donors available that could facilitate a level of rental payment? |  | Are there additional donors (NS and external) who might be interested in funding Rental Assistance? |
| Government policies | Does the target population have the right to rent?  |  | There may still be approaches where the NS or partners contract the accommodation directly. |
| Government policies | Does the government allow payments from humanitarian agencies to the target population? |  | RC could advocate for this to be allowed. Payments could be made to property owners directly if necessary. |
| Government policies | Can it be confirmed that there is no government social protection support that is existing or planned in the immediate future. includes support with housing costs to access the rental housing market for the target population? |  | If yes, then potentially the rental payment component of support is not needed or potentially certain types of payment. Nevertheless, it needs to be confirmed that the government support will not leave behind anyone or if the government effort can be supported/expanded by the humanitarian community. This is sometimes considered horizontal (covering more people) or vertical (topping up) expansion of the social protection programme. |
| Preferences | Do people prefer receiving CVA enabling them to pay rent themselves, or would they rather the NS paid property owners or service providers directly to cover the costs of their rental accommodation? |  | Note in certain situations there may be reasons why households prefer for money for rental payments to not pass through themselves. In this case a rental assistance approach where rent is paid to property owners directly could be adopted. While not strictly classified as CVA this may still utilise the CVA transfer mechanisms of the RCRC to make the payments to property owners. |
| Market | Is the rental housing market monetized (or are people expected to exchange labour for accommodation for example) and are people used to paying for rent and utilities? |  |  |
| Market | Is the rental market (in the area of displacement) functioning. What it functioning pre-crisis to meet the needs of lower income earners? How functional is the market post-crisis? It is able to respond to increased demand? Is it likely that there is adequate quantity of rental housing units of adequate quality? |  | Note that where there isn’t, it may be possible to take other rental approaches that can support the functioning of the market. And example could be supporting property owners with cash grants to make unfinished rooms habitable for rent or to support the subdivision of large spaces in unused buildings to create habitable and rentable rooms. Sometimes a reduced or rent-free period is agreed in return for a cash grant for the works.  |
| Market | Where there is already significant demand being met by limited supply. Is it forecast that property owners will be able to adapt to an increased demand? |  | If thought this will be difficult it may still be possible to adopt other rental approaches that can support the functioning of the market. This could include giving cash grants to support property owners to increase supply, similar to the example above.However, it could also involve exploring bringing property owners who did not previously rent into the market, by encouraging them to rent a room in their home for example.  |
| Market | Are rental housing costs likely to remain stable in the coming months? |  | If no, it may be sensible to reserve budget to cover increasing the rental payment which if not used can be utilised to extend support at a later date. |
| Organisational Capacity | Does the NS have capacity to deliver timely and accountable cash and voucher (CVA) assistance at the scale required? Is external CVA technical support required? |  | Note that where this capacity does not exist it can be developed. Where it is believed it can’t be developed in the time frame required other rental assistance approaches can be considered. This can include the NS contracting property owners directly to provide accommodation to vulnerable people. Alternatively, contracting-out or working in partnership with another humanitarian actors to deliver the assistance and particularly the rental payment support, that may have the capacity (e.g. Caritas) to deliver CVA. |
| Organisational Capacity | Is there a CVA delivery system in place to transfer money in a timely manner to affected people or service providers?Is the RC agreed financial service provider (FSP) for the transfer mechanism the preferred FSP for those you are seeking to include in the programme? |  | Even if not answered affirmatively it may be possible to establish an appropriate transfer mechanism, it may just take more time. Note that contracting a FSP in the RC can take 4 months for example. |
| Organisational Capacity | Can organisational integrity (e.g. financial procedures compliance) risks associated with CVA be mitigated? |  | Can financial risk management processes be revised? Can multiple approvals with internal auditing be included in the programme plans. |
| Organisational Capacity | Is it possible to establish a reliable rental payment system with the necessary speed and the intended scale? |  | Note that reliability matters. If a programme fails to make a payment in a timely manner to a recipient to pay their rent they can be put at risk of eviction or requests for payments by other means by the property owner. |
| Risks | Can CVA security and Protection risks for recipients and staff be mitigated? |  | CVA security and Protection risks can be related to the form of cash transfer, can a more secure means of transfer be used that cash-in-envelope for example?Can the transfer of CVA be staggered (undertaken in batches in a particular week)? Can the transfer be undertaken discreetly? Can households be trained to mitigate the risk? Can there be discussion with who in the household should receive the funds to minimise protection risks within the household. Can there be adequate follow-up by case workers with this known in advance by all members of the household as part of the programme orientation. |
| Infrastructure and Services | Are the infrastructure and services needed to transfer cash for rental payments to recipients available (or likely to be available very soon)?Consider both financial and technology requirements (banks, microfinance institutions, mobile phone coverage etc.)? |  | In some crisis infrastructure and services may have been significantly impacted. |
| Timeliness and Scale | Is it possible to establish a rental payment system with the necessary speed and at the intended scale? |  | Can resources from other NS or IFRC be brought in to support here? Are there emergency Financial Service Provider (FSP) procurement processes that can be used in times of crisis response. |
| Inclusion  | Can it be confirmed that there will not be a significant number of the different target groups (who are trying to access the rental housing market) that may struggle to access Cash assistance if transferred by the NS preferred CVA transfer mechanism? |  | Alternative transfer mechanisms or rental assistance approaches may be required to be considered. Note that establishing other transfer mechanisms can take time. There is also a need to consider whether some groups may be at risk of digital exclusion and how this will be mitigate. |

If all questions have been answered affirmatively or if the mitigation described in the notes can be undertaken, then inclusion of rental payments as a component of rental assistance in the programme is a feasible option. Note however, that a rental assistance programme does not always need to include the component relating to rental payments.

Note that this list has been formulated using the following as references:

* The [RCRC movement has guidance on CVA feasibility assessments](https://cash-hub.org/wp-content/uploads/sites/3/2020/11/1_2_1-Is-cash-feasible-checklist.docx), this tool is part of the Red Cross Red Crescent Movement [Cash in Emergencies toolkit](https://cash-hub.org/guidance-and-tools/cash-in-emergencies-toolkit/response-analysis/).
* [IFRC (2020) Step-by-step guide for rental assistance to people affected by crisis](https://cash-hub.org/resource/step-by-step-guide-for-rental-assistance-to-people-affected-by-crisis/) , step 1, sub-step 5.