**Global Shelter Cluster Position Paper**

**Cash & Markets in the Shelter Sector**

**Executive Summary**

The use of direct cash payments to support communities impacted by crisis is becoming increasingly commonplace as a response to humanitarian situations – and with good reason. Cash can often be faster and more cost-efficient to deliver than in-kind assistance and most importantly increases choice[[1]](#footnote-2), flexibility and dignity for beneficiaries allowing them to exercise some of their basic rights[[2]](#footnote-3) whilst potentially stimulating the recovery of livelihoods and contributing towards post-crisis economic rehabilitation.

Increasingly the discussions around cash transfer programming (CTP) for many humanitarian actors focus on why cash is ***not*** the preferred response modality in any given response. Beyond the sole provision of finance to affected families there is a rapidly evolving subsector developing tools, learning and knowledge on analysing, understanding and working with post crisis markets. By engaging with, repairing and strengthening existing economic and social structures there is significant opportunity to improve the speed and efficiency of the broader recovery process rather than creating parallel structures that can undermine these existing systems[[3]](#footnote-4).

Yet the humanitarian shelter sector, despite using cash based approaches with increasing regularity is in some regards being left behind as the cash and markets agenda evolves[[4]](#footnote-5). This is partly due to concerns that the key principles of choice and flexibility that can make CTP such a powerful tool can also present a range of risks and liabilities in shelter delivery.

Firstly, shelter is generally high in cost and will often represent a family’s most valuable asset or most significant investment. Secondly it is also potentially dangerous if built badly and also often subject to a range of regulatory systems such as building codes and complex land ownership or tenure arrangements that require high levels of due diligence to ensure principles of ‘do no harm’ are adhered to. This is particularly the case in post-disaster settings where significant focus is put on ‘building back better/safer’ and on the transfer of improved construction techniques to mitigate against future events.

Many agencies have also struggled to deliver cash based shelter projects quickly and at scale given the comparatively high cost of shelter and the volumes of capital that need to be distributed. The administrative and monitoring obligations required for these transfers and the fact these payments are typically made only a few times to each family can reduce some of the efficiencies that are one of the primary benefits of using CTP as an ongoing response tool.

Beyond immediate implementation issues the sector as a whole is struggling to use and adapt the market analysis tools so far developed that should help provide a clearer foundation to make cash a more systematic response tool for the sector. This is partly based on the levels of literacy and capacity around markets within shelter agencies, but primarily because the markets that set the context for the mass provision of shelter are varied and often significantly more complex than simply the basic commodities required for construction.

The aim of this position paper is to raise awareness of the issues particular to shelter around CTP and market based programming - whilst also highlighting the opportunities that exist in the sector to promote and develop shelter as a key cash and markets sector. For the purpose of this paper the term ‘cash’ is used to denote money, vouchers and any other form of financial support, whilst the term ‘markets’ is used to denote demand for a particular commodity or service.

**Introduction**

The shelter sector can claim to have a long history of using cash as a modality[[5]](#footnote-6) and could in some regards be considered one of the original CTP sectors. For instance cash grants and reconstruction loans were made available following the 1906 San Francisco earthquake[[6]](#footnote-7), and during the 70’s, 80’s and early 90’s there were a broad range of shelter projects in which households were provided with cash as part of support packages to facilitate “self-build”[[7]](#footnote-8). This extended history is simply a reflection of the significant inputs of human, material and financial capital involved in all shelter and construction projects. Cash combined with other forms of assistance has often made up at least a part of many humanitarian and post disaster shelter programmes, but was simply factored as labour or material costs rather than specifically ‘CTP’. In particular ‘Owner driven’ models of construction have shown considerable levels of success with support provided through combinations of financing, in kind materials, technical support and other forms of guidance. These inputs of funds however were not necessarily to facilitate a significant degree of choice for beneficiaries, and were generally measured only as a project cost with the broader economic and other benefits under considered, analysed or reported.

However, now that the various benefits of assisting affected populations with direct financial support have become increasingly well known, and the assumptions around misuse of funds by beneficiaries proven to be broadly misplaced[[8]](#footnote-9), the shelter sector finds itself being left behind as the discussions around the use of cash and market based interventions accelerates forward. In particular the food security and livelihoods (FSL) sector is driving the use of market assessments to inform programme design on how best to assist affected populations through utilising and strengthening local economies. Such has been the success of CTP within FSL programming (and more modestly in shelter, WASH and some other sectors) that the use of ‘multi sector unconditional cash grants’ is now being strongly promoted as the most efficient means to help meet the varied and assorted needs of crisis affected populations.

In particular the recent release of an ODI report from the ‘High Level Panel on Humanitarian Cash Transfers’[[9]](#footnote-10) argues strongly and eloquently that the use of unconditional cash transfers can have a significant role in increasing the impact of the assistance reaching beneficiaries. The paper makes a number of recommendations including that the volume of humanitarian aid provided through direct unconditional cash payments should be increased dramatically, and suggests that a move to more CTP has the potential to push the reform of some aspects of the current humanitarian system.

Humanitarian reform aside, the use of unconditional grants does present opportunities for a certain range of shelter activities such as the provision of emergency NFIs, tools and basic materials. However, there is significant concern from within the shelter sector that the increasing momentum behind CTP and in particular unconditional multi sector grants does not take some of the specifics, complexities and technical challenges of construction into consideration.

**Key Questions and Concerns of the Shelter Sector on Cash & Markets**

**Cash**

Across the humanitarian landscape cash is being used as a tool to provide immediate assistance in emergencies, support recovery or to access people through remote programming in areas where security or geography might complicate the highly visible delivery of in-kind assistance. One of the primary issues surrounding the use of cash in shelter response however is the fact that by nature shelter interventions tend to be of significantly higher value than other interventions such as the provision of food. This automatically tends to raise questions around risk thresholds and donor accountability. Despite such legitimate concerns there is a slowly growing body of documented evidence from within the shelter world showing that CTP if used well has a vital role in shelter programming. A recent CRS comparative study from 7 Case Studies[[10]](#footnote-11) of predominantly cash focused shelter programmes came to the following conclusions;

1. **Cash-based assistance provides people with choice.**
2. **Local markets benefit from cash-based shelter programs.**
3. **When a tranched system is used, beneficiaries use cash grants as anticipated.**
4. **When accompanied by technical assistance, onsite monitoring, and IEC, households can construct Sphere-compliant shelters that are safe, adequate, and durable.**
5. **Cash grants can be quicker to disburse than materials for construction.**
6. **Good assessment and monitoring of shelter materials markets helps to ensure continued market function without price fluctuations.**
7. **Markets for shelter goods and services must be nearby, safe and accessible.**
8. **Cash may not always be the best response option. Market and needs assessments are important to establish the most relevant modality for support whilst beneficiaries’ preferences for assistance are critical.**
9. **Community involvement is critical to success.**

Many of these conclusions are consistent with findings from other sectors when considering the generic modality of CTP as a means of delivering assistance. Points 3 and 4 however are specific to interventions where meeting a particular set of objectives is required and this is of particular concern for many shelter activities after a certain point in the shelter continuum.

During the acute phases of a crisis the rapid distribution of either conditional or unconditional cash can greatly assist affected communities to meet a wider range of their immediate needs[[11]](#footnote-12) more efficiently than in kind distributions – assuming local markets have some degree of capacity. If this is the case then providing direct finance can allow people to find short term rented accommodation or purchase NFI items or tools and materials that can help facilitate the construction of rudimentary temporary or emergency shelters when combined with salvaged materials. These structures will meet basic requirements of protection from the elements and provide some degree of privacy but by definition are ‘un-engineered’, use lightweight materials and have low levels of risk in the event of structural failure.

However once the situation has stabilised and communities are moving towards upgrades, rehabilitation, repair or reconstruction of more durable shelters or houses then the varied risks and liabilities related to construction can make the use of unconditional cash extremely risky both for implementing agencies and the beneficiaries themselves. It is at these points when the focus of assistance moves beyond immediate lifesaving that the popular image of humanitarian agencies delivering relief items adjusts to a role of focusing on longer term resilience and risk reduction. Cash is a vital tool in meeting this aim but must usually be accompanied by awareness raising and technical support to ensure better quality and safer housing or more detailed facilitation to overcome complex regulatory issues such as tenure rights or access to key services. Such detailed oversight is essential to ensure accountability to beneficiaries, minimise safety risks and liabilities for all parties whilst ensuring responsible utilisation of funding. Building structures that are dangerous and do not meet standards or are built in the wrong place can have devastating implications whilst HLP or regulatory issues can block the use of cash by recipients, or eventually lead to cash being used on other needs, without their shelter requirements having been addressed.

Additionally in protracted urbanised settings where displaced populations may require assistance with rental and utilities payments some degree of conditionality for either landlord or renters may be considered desirable[[12]](#footnote-13). This would be due to the often high costs involved and the potential for families to prioritise shorter term needs over and above the objective of shelter or the complexities involved in enforcing rental agreements. This requirement goes somewhat against the principle of beneficiary choice but careful needs assessment should help identify other key needs that families might prioritise and also reduce the likelihood of debt accumulation. In protracted settings such as these it is preferable that secure sources of repeat funding have been identified or exit strategies considered.

Whilst ensuring safe construction and compliance to regulations it is entirely achievable to facilitate and indeed encourage beneficiary choice into the design of shelter projects delivered through CTP[[13]](#footnote-14). Through careful situational analysis and project design that factors in and includes the oversight and guidance that might be required to ensure appropriate construction practise or behavioural change it is possible to support families to build shelters that suit their needs and requirements. Ultimately it is vital to ensure communication with and accountability to beneficiaries, to ensure clear understanding of what the programme objectives are above and beyond getting families under a roof so that a shared vision is developed between communities and humanitarian actors.

In settings where unconditional multisector cash grants are made, implementing agencies should be aware that whilst providing choice to the beneficiaries, without very detailed monitoring and engagement they could mask problems where cash assumed to be needed for shelter may be paying other expenses including debts. This facet of CTP is not sufficiently understood or factored and is often extremely helpful, as it highlights information or trends that standard tools may not identify about peoples’ needs, preferences and constraints which can be extremely valuable[[14]](#footnote-15). Further to this point the current understanding of how CTP can impact on gender, protection and other cross cutting issues such as environment would need further consideration as shelter support is increasingly included in unconditional multi-sector grants. The high value payments that result from including shelter support may increase or reduce protection risks to women and other groups, and as ever there are cultural and contextual considerations of how household finance is used and controlled which need to be part of any decisions around the suitability of such grants. For instance men and women often prioritize different aspects of what is important in shelter, whilst the purchase of unsustainable and environmentally sensitive materials or those that have health risks such as asbestos is difficult to prevent without some degree of agency oversight.

**Markets**

In any setting there are a wide range of factors that can influence the profile of a national housing market. These individual markets would include the capacity of the construction industry, the volume of useable housing stock for purchase or rent, and the availability of land, key construction materials, skilled and unskilled labour, credit, loans, mortgages and other housing finance mechanisms. In basic economic terms if the availability of any of these assets or services is limited then costs will usually increase as demand and competition for these resources outstrips supply. In post disaster or large scale displacement settings where the housing stock has been damaged or destroyed or the volume of available housing is disproportionate to the numbers of people needing it many of these separate systems that make up the housing market as a whole will suffer significant disruption.

Whilst it is these quantifiable markets that often set the broader context for the provision of shelter support, it is also important to be aware of other external factors that can influence these markets and may in themselves constitute less formal ‘markets’ such as the prevalence and costs of servicing debt, rates of overseas remittances, and the financial aspects of local tenure arrangements around renting[[15]](#footnote-16). It is also generally acknowledged that humanitarian actors generally reach only a percentage of those in need of assistance and that the contributions of agencies may consist of a comparatively small percentage of the total assets affected populations mobilise to meet shelter needs. Many families will salvage valuable materials, use savings, access loans or other forms of debt, and in some instances draw on government support packages.

To really respond to mass shelter needs and define a response strategy that can kick start an efficient process of recovery, it is essential to have as great an understanding as possible of the various markets and value chains that make up the broader housing market in an affect area. Many of these markets and the relationships between them are complex enough in non-emergency situations, and mapping, analysing and tracking them during a crisis is something that the shelter sector and broader humanitarian community does not currently have the means or capacity to do in any systematic manner.

Market mapping tools[[16]](#footnote-17) and experience exist to investigate the markets surrounding particular commodities such as key construction materials such as CGI roofing sheets or cement. There has been experience of market mapping of such commodities in Indonesia[[17]](#footnote-18), Pakistan[[18]](#footnote-19) and Nepal which has been helpful for exploring the viability of various response options. Markets around construction skills and available labour are also essential when considering large scale construction projects and these markets are very different from commodities and although tools exist to map these, they are often complex or limited in scope.

Generally however, these processes often provide a snap shot of the market at a specific moment and items required for construction are often infrequent high value purchases that in a post-disaster setting will see significantly increased demands leading to booms in the market which are unlikely to be sustained over the longer term unlike those for key food commodity items such as wheat or rice.

In general terms the construction industry has long followed trends of ‘boom and bust’ as economies expand or contract, and although disaster and crisis can reduce the capacity of the relevant markets that sustain the sector in the short term, it is more often the case that large scale construction need leads to significant localised growth and price increases until such a point that supply overtakes demand. Given that some of these markets are influenced by a wide range of economic and political drivers at national and global level it may often be extremely difficult to predict how best to utilise market-based interventions to facilitate recovery. In reality humanitarian reconstruction efforts will generally have a limited impact on markets when compared to that of the general population and market- driven initiatives – but with better contextual understanding the opportunities may become more obvious and we can ensure that response strategies respect and strengthen basic market principles when possible.

So how does the shelter sector map these broader realities of the components that may make up household income and assets to help the sector prioritise the most appropriate support interventions? For market analysis of shelter commodities EMMA[[19]](#footnote-20) and similar tools have been used with varying success but in many instances key shelter markets such as the rental sector have proven significantly more complex and to date generally have not been carried out on a systematic basis. Some recent experience from the Ukraine[[20]](#footnote-21) has shown it is possible but proposed rental market mapping exercises in Lebanon and Jordan over the past few years have never come to fruition due to the complexity of undertaking the exercise. There is experience within the development sector of undertaking complex mapping of housing markets and the housing value chains[[21]](#footnote-22) that contribute to these markets but significant investment may be required to adapt these and to build the capacity to make them usable in crisis contexts.

**Coordination**

Given the cross sectoral application of cash as a tool to meet the needs of affected populations the coordination of cash and markets programmes within an emergency context is a need that has emerged rapidly to prevent duplication and increase efficiency. How such coordination can be integrated into existing mechanisms however has proven challenging in some instances whilst the roles and responsibilities of cash coordination working groups have sometimes been unclear in regards to their role in providing support, promoting specific interventions, or making specific technical decisions for the sector.

Given that the bulk of available cash capacity has foundations in sectors outside of shelter, issues have also emerged around appreciating the technical nuances and the specific issues of meeting shelter requirements through CTP and market based interventions. This has proven to be of particular concern when multisector unconditional cash grants are being proposed. The monetarisation of standardised shelter assistance packages can be difficult in many contexts but the main issues relate to ensuring shelter related objectives are met within the utilisation of these grants by beneficiaries.

Questions exist around which sectors are officially covered under a multisector cash grant. For instance the health cluster does not currently engage in significant CTP beyond supporting access and basic requirements. In protracted settings rent may make up a major portion of household expense[[22]](#footnote-23), but post distribution monitoring of household expenditures in other settings has suggested that food, health care, or loan repayments are typical purchases made with unconditional cash grants[[23]](#footnote-24). This in itself is not a problem and should ideally be identified by quality needs assessments[[24]](#footnote-25) – however funding is often made available by sector, or by specific areas of interest for donors and as such implementing agencies have to report on progress in meeting specific objectives. Linked to this point is the difficulty in measuring and monitoring how grants are used to better track the cash provided for shelter and what it is in reality used for – an issue that is especially key for multisector cash grants which may provide limited monitoring of specific outcomes.

Additionally the parallel rise of 'neighbourhood/area based' approaches at the same time as cash has gained popularity as a tool also raises some questions when considering meeting community needs as well as those of individual families. A wide-ranging discussion within the shelter and broader humanitarian community is required to consider how cash distributions for single families can best dovetail into community-wide plans or negotiations for meeting not just needs related to housing but also around infrastructure or the provision of community spaces, services or other requirements of a crisis affect community.

For the shelter sector a more useful application of specific cash coordination capacity might be the provision of technical support to technical sectors or more of a focus on how humanitarian interventions and recovery efforts can better link with and support government driven financial support packages and initiatives. These in many instances are slow to get started and often have many issues which have led to many agency responses ignoring them and subsequently forcing beneficiaries into situations where they may have to accept assistance of a lower value from agencies in the immediate term and lose out on government packages, or with some communities receiving additional secondary support at a later date. Integrating any agency support for construction with government compensation packages and policies is complex yet essential to ensure technical and political realities of linking payments with formal damage assessment and compliance requirements. In more protracted settings where unconditional multisector grants may be paid on a regular basis these could be used to complement national welfare systems if the scope of such support is carefully agreed with authorities and an exit strategy that factors government capacity is built into project design.

**Capacity**

To date it has primarily been the efforts of the FSL sector and non/multi-sectoral cash actors which have to their great credit driven the cash & markets agenda forward and documented[[25]](#footnote-26) the successes required to overcome many practical issues, but equally importantly proven much of the scepticism and concerns around using cash to be broadly unfounded. Whilst this has been mainly positive, much of the expertise, language, and tools around CTP and markets are primarily focused on meeting the needs of FSL programmes and there is a strong argument that more attention is needed to make these more accessible and applicable to shelter and other sectors seeking to use cash more systematically.

To remedy this, shelter and other sectors need to participate more actively in the cash and markets discussions to ensure that shelter contributes a technical voice and that any developments serve a broader base of humanitarian interest. To do this, efforts need to be made from within the shelter community to focus on developing learning and seek the resources required to facilitate the development of suitably skilled ‘cash expertise’ and a greater breadth of usable cash & markets guidance that has a specific shelter focus. It must be noted that the WASH sector has taken a positive step towards meeting a similar objective that could provide a model for the shelter sector to emulate through the formation of a TWiG of the WASH cluster under the umbrella of the Markets in Crises (MiC) Community of Practice. [[26]](#footnote-27)

**Conclusion**

Whilst the shelter sector has a growing body of documented success in using CTP it is increasingly clear that it is the specifics of a context that will set the most appropriate means of response. Cash can be a powerful tool – but it is one tool among many and one lesson already learned for shelter is that there is no ‘one size fits all’ modality. In most instance shelter projects are most successful when cash (or in-kind) is provided as part of a package with technical advice or guidance and when needed, in-kind assistance. Such packages can meet safety and DRR obligations, promote higher quality construction practises, provide materials unavailable in the local market and still give beneficiaries the choice and freedom to build shelters that meet their specific needs and requirements.

Much of the current evidence around CTP suggests - and especially as it has been used for meeting food-security objectives - that these tend to be successful in relatively short project cycles, because the activities, impact and monitoring can, and often should take place within a relatively short period of time. This is not always the case with shelter where particularly with regards to permanent reconstruction the time frame for response can be 3-5 years or more and the markets may follow cycles of boom and bust rather than more predictable supply dynamics. Further discussion may therefore be required around what cash support may look like, and how to isolate and monitor the impacts of cash support from all other variables over these longer time spans.

Longer time frames are also key for considering the use of cash in more protracted settings. Much of the discussion of cash as a shelter tool to date has been in the context of post-natural disaster shelter and reconstruction, and targeting those who are able to build shelter or housing on plots with presumably durable tenure. But how can the benefits of CTP play out for meeting the shelter needs in refugee or IDP camps or other cases of large-scale, but presumably non-permanent displacement?

To make the right decisions around what forms or combinations of assistance will best meet the needs of impacted populations over the longer and short terms it is clear however that the shelter sector needs to significantly increase its knowledge around the markets that may influence the sector. These markets that the shelter sector would ideally be able to analyse, understand and engage with are varied and complex, but by learning from existing CTP and market approaches derived from FSL and the development sector it may be possible to adapt their experience and tools to humanitarian crisis settings. By doing so, opportunity may exist to better predict where particular shelter interventions will facilitate an affected population to move forward more rapidly into stabilisation and where possible processes of recovery.

Ultimately the shelter sector needs to engage more actively in the cash & markets discussions and must reach out both internally and to others to see who can guide the shelter sector as it moves to help itself. Entities such as CaLP and UN-OCHA have a role to play whilst the Global Shelter Cluster and shelter agencies with CTP and markets capacity can work with other actors and donors to facilitate the essential process of building the needed capacity within the shelter sector.

**When addressing shelter needs it is critical that CTP programmes - especially those utilising multi-purpose cash grants – use both detailed contextual analysis and appropriate technical guidance during all stages of design, implementation and coordination. This ensures that as well as facilitating and encouraging beneficiary choice, programmes can work with existing local markets and structures to ensure the provision of safe, secure shelter and tenure for those most in need, and that the humanitarian community can be held accountable for achieving all intended outcomes.**

**Recommendations**

Following the GSC annual meeting in October 2015 and the subsequent UK Shelter Forum held in November 2015 four key recommendations have been developed. Over the course of 2016 and beyond the Global Shelter Cluster and the sector at large will seek to;

1. **Ensure that the ‘voice’ of shelter is heard in any policy level discussions around the increased use of CTP and particular methodologies such as the promotion of unrestricted, multi sector grants**. The mainstream conversation around cash is not currently representative of all views, opinions or technical considerations that could strengthen the use of CTP across sectors and within shelter.
2. **Advocate for increased investment and support in developing the capacity, tools and documenting experience around cash within the shelter sector.** It should not be assumed that the evolution of CTP and market based programming is occurring systematically within agencies or across sectors.
3. **Raise awareness within the current pool of cash expertise and the broader humanitarian community the peculiarities, opportunities and constraints shelter has around using CTP and market tools more systematically and at greater scale**.
4. **Global Shelter Cluster and sector partners to actively engage in helping define the coordination roles and responsibilities of Cash TWIGS**. Within the current coordination architecture the GSC would suggest that the role of Cash TWIGs be support driven rather than one of programmatic decision making around meeting shelter objectives through CTP.

**Next Steps**

As part of a commitment by the GSC and contributing partner agencies to increase a focus on supporting the growth of CTP as a response tool, a number of initiatives have been planned that will facilitate the sector to move forward pro-actively to meet some of these key recommendations. These initiatives are as follows;

* On the 15th December 2015 a short statement[[27]](#footnote-28) was issued to the Global Cluster Coordinators Group (GCCG) on behalf of the GSC Strategic Advisory Group (SAG) highlighting concerns in relation to the ongoing discussions around cash coordination.
* Early in 2016 this GSC position paper on Cash & Markets in the Shelter Sector will be released and shared through a variety of relevant networks to ensure some of the concerns and the willingness of the sector to engage in positive dialogue are more widely understood.
* Following the GSC SAG annual retreat in December 2015 a working group has been appointed to take a lead on meeting the objectives as defined by the recommendations of this position paper.
* The GSC with support from UNHCR has commissioned a literature review in relation to the use of CASH for shelter. This review is planned as a *phase 1* in furthering the internal understanding of cash and shelter and will collate and consider what it has been done so far on cash for housing and shelter, housing benefits, social housing, etc. and will also look into the existing market assessment tools relevant to shelter commodities or processes.
* The GSC with support from IFRC will, on the recommendations of the literature review commission a *phase 2* piece of work to develop pilot cash & shelter guidelines, based on current generic cash tools. Development of these guidelines will entail analysis of existing CTP tools to identify areas that may require additional content or adaptation to facilitate application to meeting shelter requirements and objectives.
* On completion of the phase 1 & 2 initiatives expected early in the second quarter of 2016 the GSC will thereafter undertake a review and consultation around what further requirements exist to facilitate the advancement of the CTP and markets agenda in the shelter sector. Following this review, strategies will be developed with interested parties to ensure rapid progression in meeting the stated recommendations of this paper and any further objectives identified in the course of undertaking the phase 1&2 activities.

**Annex 1;**

**Recommendations of the High Level Panel on Humanitarian Cash Transfers report ‘Doing cash differently: how cash transfers can transform humanitarian aid’ ODI Sept 2015[[28]](#footnote-29);**

A. More cash transfers

1. Give more unconditional cash transfers. The questions should always be asked: *‘why not cash?’* and *‘if not now, when?*

2. Invest in readiness for cash transfers in contingency planning and preparedness.

B. More efficient cash transfers, delivered through stronger, locally-accountable systems

3. Measure how much aid is provided as cash transfers and explicitly distinguish this from vouchers and in-kind aid.

4. Systematically analyse and benchmark other humanitarian responses against cash transfers.

5. Leverage cash transfers to link humanitarian assistance to longer-term development and social protection systems.

6. Capitalise on the private sector’s expertise in delivering payments.

7. Where possible, deliver cash digitally and in a manner that furthers financial inclusion.

8. Improve aid agencies’ data security, privacy systems and compliance with financial regulations.

9. Improve coordination of cash transfers within the existing system.

10. Implement cash programmes that are large-scale, coherent and unconditional, allowing for economies of scale, competition and avoiding duplication.

C. Different funding to transform the existing system and open up new opportunities

11. Wherever possible, make humanitarian cash transfers central to humanitarian crisis response as a primary component of Strategic Response Plans, complemented by in-kind assistance if necessary.

12. Finance the delivery of humanitarian cash transfers separately from assessment, targeting and monitoring.

**Annex 2;**

**GSC Statement made to the Global Cluster Coordinators Group (GCCG) in regards CTP in shelter**

**Cash Programming for Shelter**

The Global Shelter Cluster welcomes the current focus on increasing the use of cash in humanitarian response. Cash is an important and valuable part of shelter programming. There is a long history of using cash in shelter programmes over many decades, and there is considerable learning about both the benefits and risks of using cash in shelter and housing.

There are many opportunities with the potential increase in the scale and reach of cash programming, but it is important to recognise that investment in shelter is typically a very significant one. It represents a high risk not only financially and economically but also in terms of the adequacy and safety of the shelter outcomes. While cash transfers can empower disaster-affected people, the use of cash transfers alone moves significant risk almost entirely onto beneficiaries. Without associated support to manage this risk, such as transfer of skills, knowledge, buying power or legal support to name but a few, beneficiaries can be left with unsafe or incomplete buildings, lack of tenure security, lasting debts and increased vulnerability. As is the case with providing goods in kind, cash programmes intended to have an impact in shelter without an associated understanding and management of the risks, and without appropriate expertise, will fail more often than not to achieve basic agreed humanitarian standards or offer the level of protection needed.

The materials, services, labour, land and rental markets that make up construction and housing sectors are usually unique and highly complex and rarely have the elasticity of consumable commodity markets. It is critical that cash programming, especially multi-purpose cash grants, is well designed and coordinated to ensure that cash programming addressing shelter needs enables safe, secure shelter and tenure for those most in need, and that the humanitarian community can be held accountable for achieving the intended outcomes. The shelter cluster and its members are eager to collaborate with existing initiatives and actors in the development of cash transfer programming modalities to do this.

1. <http://www.spherehandbook.org/en/protection-principle-3-protect-people-from-physical-and-psychological-harm-arising-from-violence-and-coercion/> [↑](#footnote-ref-2)
2. <http://www.ohchr.org/Documents/Publications/FS21_rev_1_Housing_en.pdf> [↑](#footnote-ref-3)
3. MERS standard 2 <http://www.seepnetwork.org/filebin/Minimum_Econ_Recovery_Standards2_web.pdf> [↑](#footnote-ref-4)
4. See findings and recommendations <http://www.cashlearning.org/resources/library/536-scoping-study---emergency-cash-transfer-programming-in-the-wash-and-shelter-sectors> [↑](#footnote-ref-5)
5. <http://siteresources.worldbank.org/INTHOUSINGLAND/Resources/339552-1153163100518/Thirty_Years_Shelter_Lending.pdf> [↑](#footnote-ref-6)
6. <http://www.sheltercasestudies.org/shelterprojects2010/B2-USA-sanfrancisco-1906.pdf> [↑](#footnote-ref-7)
7. 'Shelter after disaster’ Davis et al 1978 <http://www.ifrc.org/Global/Documents/Secretariat/201506/Shelter_After_Disaster_2nd_Edition.pdf> [↑](#footnote-ref-8)
8. <http://documents.worldbank.org/curated/en/2014/05/19546774/cash-transfers-temptation-goods-review-global-evidence> and <http://blogs.worldbank.org/impactevaluations/do-poor-waste-transfers-booze-and-cigarettes-no> [↑](#footnote-ref-9)
9. <http://www.odi.org/publications/9876-cash-transfers-humanitarian-vouchers-aid-emergencies> [↑](#footnote-ref-10)
10. Using Cash for Shelter: An Overview of CRS Programs. CRS 2015 – awaiting publication [↑](#footnote-ref-11)
11. <http://www.crs.org/our-work-overseas/research-publications/cost-effectiveness-analysis-cash-based-food-assistance>) [↑](#footnote-ref-12)
12. A review of evidence of humanitarian cash transfer programming in urban areas – page 24 <http://pubs.iied.org/10759IIED.html> [↑](#footnote-ref-13)
13. Example from Afghanistan <http://www.sheltercasestudies.org/shelterprojects2011-2012/A01-Afghanistan-2012.pdf> [↑](#footnote-ref-14)
14. Evaluation of Cash shelter/return project in Sri Lanka <http://sheltercentre.org/sites/default/files/4bb310da9.pdf> [↑](#footnote-ref-15)
15. Security of Tenure in Humanitarian Shelter Operations (NRC/IFRC) <http://www.nrc.no/arch/_img/9195262.pdf> [↑](#footnote-ref-16)
16. <http://rcmcash.org/> or <http://emma-toolkit.org/> [↑](#footnote-ref-17)
17. EMMA for bricks in West Sumatra <http://www.sheltercentre.org/node/10019> & case study <http://sheltercasestudies.org/shelterprojects2010/A-12-A15-Indonesia-Pedang.pdf> [↑](#footnote-ref-18)
18. EMMA for bamboo and timber in Pakistan <http://sheltercentre.org/sites/default/files/bamboo__timber_emma_final_report.pdf> [↑](#footnote-ref-19)
19. <http://emma-toolkit.org/> [↑](#footnote-ref-20)
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21. Kenya housing market mapping and value chain analysis <http://www.housingfinanceafrica.org/document/kenya-housing-market-mapping-and-value-chain-analysis/> [↑](#footnote-ref-22)
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