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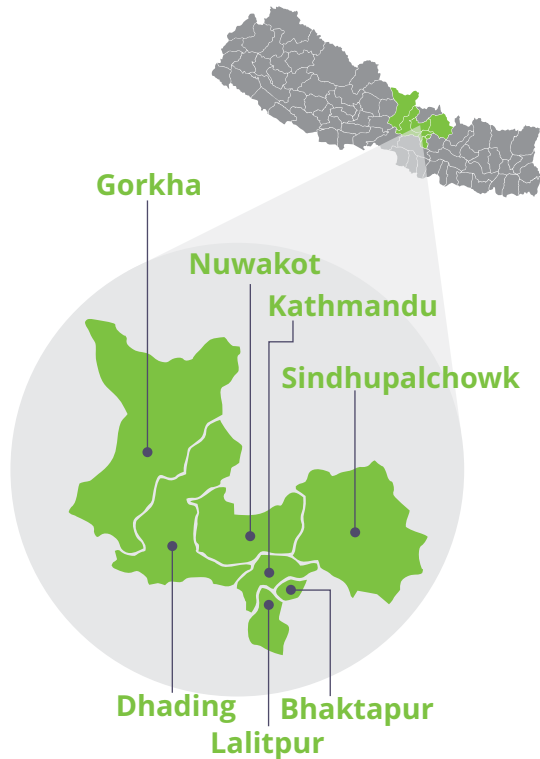
TRANSFERRING CASH TO EARTHQUAKE-AFFECTED FAMILIES

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ISSUED IN
2017

CASH TRANSFER PROGRAM IN 7 EARTHQUAKE-AFFECTED DISTRICTS



INTRODUCTION

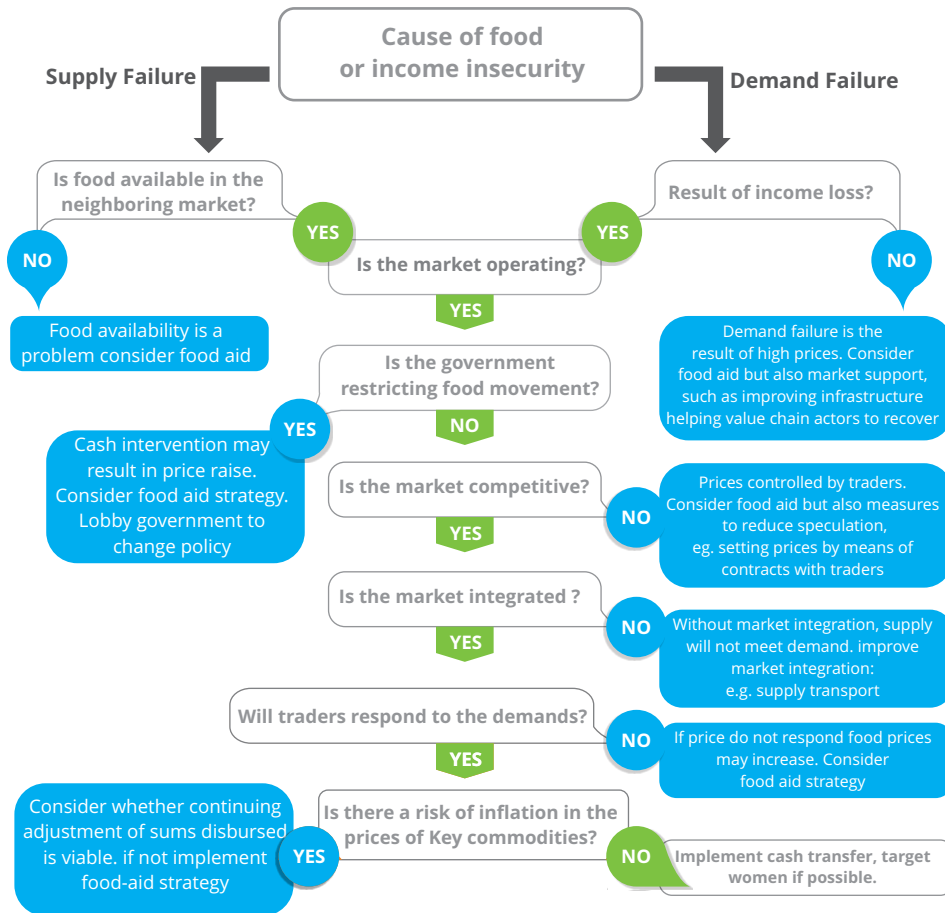
The devastating earthquakes of April and May 2015 killed 8,700 people and injured more than 22,000. It proved to be fatal for Nepal's growing economy with an estimated damage worth of USD 7 billion (GBP 4.76 billion). As a result, 2016 was the weakest year of economic growth in the last 14 years (PDNA Report 2015). Effects of the earthquake included severe damage to homes, livestock shelters, drinking water schemes, and irrigation systems. Resources such as food stock, seeds, and agro-input tools were also widely destroyed which had adverse impact on the food security and livelihoods of the communities.

Oxfam in Nepal utilized Cash Transfer Programming (CTP), complimented by in-kind distribution, as a major response option under the Emergency Food Security and Vulnerable Livelihoods (EFSVL) sector. CTP was implemented in all 7 earthquake-affected districts (Kathmandu, Lalitpur, Bhaktapur, Dhading, Nuwakot, Gorkha, and Sindhupalchowk) with the objective of meeting the basic food security needs and supporting to restore and re-establish the livelihoods of the affected families. From 2015 to 2017, CTP reached over 70,518 families through Cash for Work, Cash Grants or Vouchers.



Photo Credit: Oxfam- Sindhupalchowk

A FRAMEWORK FOR DECIDING WHETHER TO DISTRIBUTE CASH

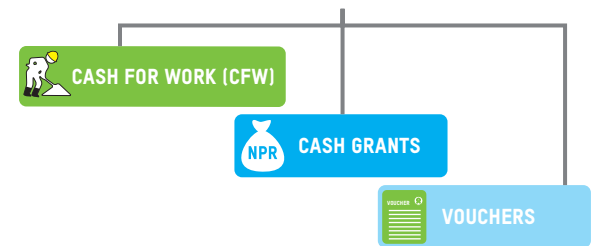


DESIGN AND IMPLEMENTATION

The framework developed by Oxfam GB (2006) was followed to decide whether to distribute cash. Needs and market assessments, favorable government policy, service provider and vendor capacity, options of cash delivery mechanisms, prices at the local market, and risk analysis aid to choose and design specific cash transfer modalities.

MODALITIES OF CASH TRANSFER PROGRAMMING

Oxfam used a combination of all three forms of cash transfer modalities.



CASH FOR WORK (CFW)

Cash for Work (CfW) was mainly designed to meet immediate food security needs through payment of work done on public or community schemes. It also focused on early recovery through rehabilitation and reconstruction of community assets such as irrigation systems, rural roads, agriculture harvest collection centers, group processing units. On average, a beneficiary performs light physical labor for maximum 7 hours a day over 15 days earning on an average GBP 53 (NPR 8000). The rates of pay reflected the government district wage rate for unskilled labor and was equal for both male and female. CfW under each scheme also accommodated physically vulnerable and labor poor households, who could not participate in direct work though the means of Compassionate Grant. This grant targeted families led by elderly, pregnant or lactating women, children headed households and people with disabilities by provisioning compassionate grants equal to the amount of CfW (GBP 53).

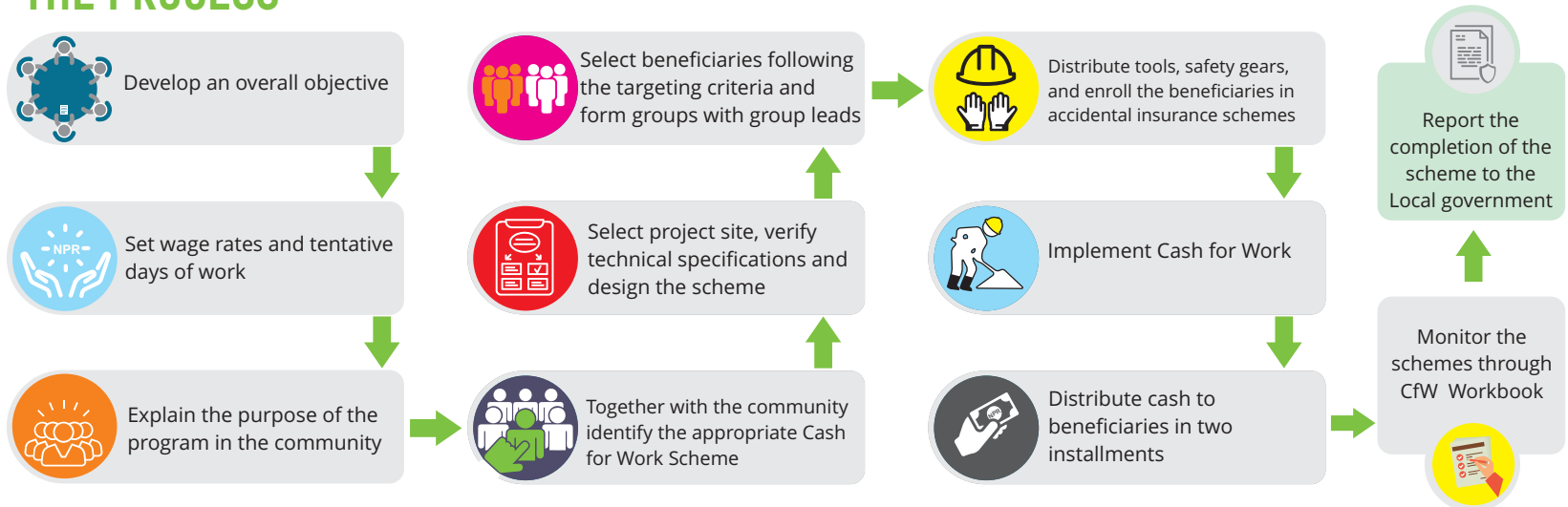


Fiftyone year old Dil Maya Sunar (second from right) along with other beneficiaries helps to clear rubble from a collapsed school block at Golma Devi School in Timbu of Sindhupalchowk. Photo by: Rakesh Tuladhar/Oxfam

WHO WERE TARGETED?

- Earthquake -affected households depending on daily wage labor for income
- Landless ultra-poor households with no/low income sources
- Labor poor households with elderly, pregnant or lactating women, children headed households and people with disabilities

THE PROCESS



CASH GRANTS

Earthquake-affected families were supported through Cash Grants ranging from GBP 53 (NPR 8000)- GBP 266 (NPR 40,000) to restore and re-establish their livelihoods. Cash Grants specifically targeted vulnerable households who lost their livelihood assets and infrastructure such as agriculture tools and equipment, livestock or livestock shelter and productive assets for business purposes - hampering their main source of income. All Cash Grant recipients were requested to provide a grant expenditure plan and receipts of purchases to ensure the amount has been used for the intended purpose and period. In most cases, Cash Grants were accompanied by relevant skill-enhancement trainings for effective grant use and sustainability.

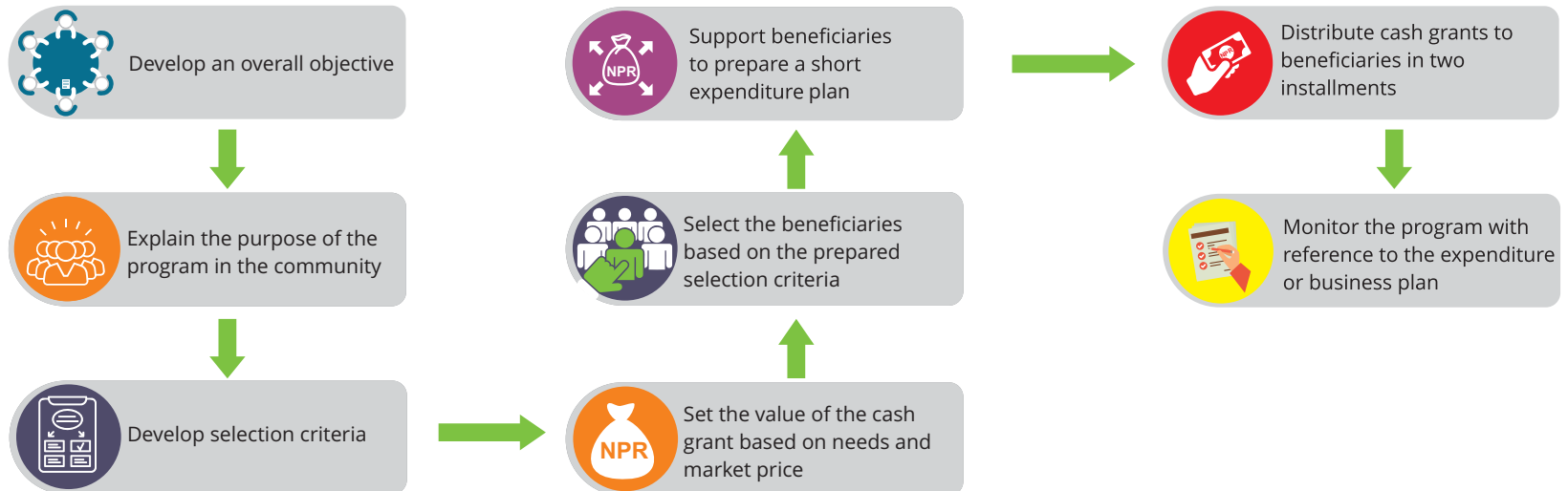


Livestock grant beneficiary of Madanpur VDC, Nuwakot counting her grant amount.
Photo by: Neeraj Kumar Tharu/Oxfam

WHO WERE TARGETED?

- Earthquake-affected families dependent on agriculture, livestock, small business or enterprises (with yearly transactions less than GBP 333 equivalent NPR. 50,000).
- Physically and socially vulnerable groups including female-headed households, elderly and people with disabilities

THE PROCESS



VOUCHERS

Oxfam distributed both commodity and service vouchers. The commodity vouchers considered the identified needs for specific commodities such as fresh food, agriculture inputs and livestock. The service vouchers on the other hand provided ploughing services for the agriculture-dependent families through oxen and tractors. Each voucher, printed on paper or plastic cards, was labeled with the name and location of the shop, date to redeem the voucher worth and the denomination amount. These vouchers were easily redeemed by the beneficiaries from pre-identified vendors. Voucher programming allowed recipients to choose items of their need from pre-identified vendors. This ensured that beneficiaries received needed commodities and services without compromising their choice.

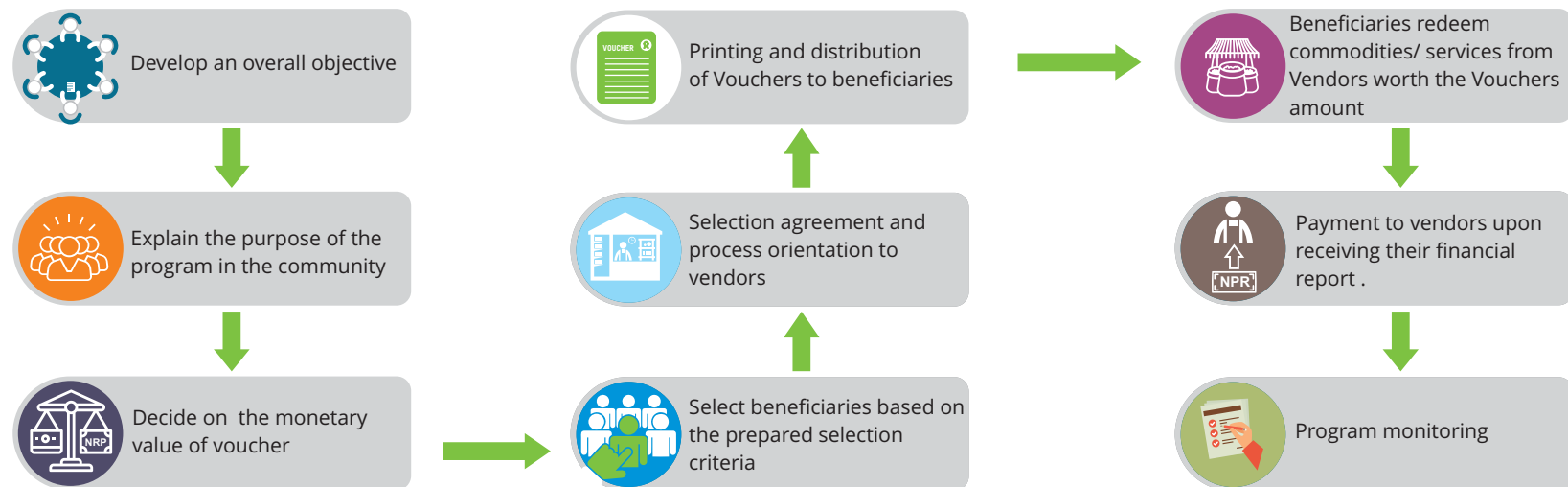


Women of Kathmandu Valley received cash voucher to access fresh food items of their choice
Photo Credit: Oxfam- Kathmandu

WHO WERE TARGETED?

- Earthquake-affected food insecure vulnerable households depending on agriculture and livestock rearing for income and livelihoods
- Physically and socially vulnerable groups including female-headed households, elderly and people with disabilities

THE PROCESS



METHOD OF CASH DELIVERY AND PAYMENT

Oxfam identified appropriate and safe (with reduced risk) methods for cash delivery and payment. Experience of cash delivery agents, cost and speed of set up and delivery, acceptability and reach to vulnerably groups, scale and flexibility of cash transfers were prioritized while deciding the cash delivery method. The combination of following options were used for transferring the cash to the beneficiaries:

DIRECT CASH PAYMENT:

During the initial stages of the emergency, cash was handed out directly to recipients by Oxfam & Partner finance staffs in the community by selecting a safe and controlled location. This payment mechanism was undertaken as an intermediate provision of reaching the beneficiaries while Oxfam prepared for a secure form of cash delivery mechanism such as using the local banking system.

FINANCIAL SERVICE PROVIDERS AND ITS AGENTS:

Oxfam used three financial institutions (Prabhu Management, Prabhu Bank Limited and Depros Microfinance Bank) and their associated money transfer agents and partner banks selected though factors such as experience level of cash delivery agents, cost and speed of delivery, and ease of access for vulnerable groups were to distribute cash though bank counters or though predefined spot distribution.

BANK ACCOUNTS:

This mode of transfer was used mainly in urban areas where the beneficiaries had existing bank accounts. Because the money was placed directly in beneficiaries accounts, they had no time constraint on withdrawing their grant amount.

COOPERATIVES:

Local-level cooperatives were used as financial service providers considering their local presence and close proximity to their beneficiaries. This allowed them to efficiently distribute cash in a swift manner. However, the modality was limited to only Gorkha District and Kathmandu Valley.

LOCAL VENDORS:

Oxfam made use of local vendors for implementing voucher programming. The use of pre-existing local vendors minimized the initial set up and transaction cost. This also provided quick access to assistance for beneficiaries directly from their local market which simultaneously strengthened the local market system.



Finance Officer of Oxfam, facilitates the direct cash payment to beneficiary of Sindhupalchowk district. Photo Credit: Oxfam



Representative of Prabhu Bank Limited hands over Livelthood Grant to beneficiary in Gorkha district. Photo by: Shreeju Shrestha/Oxfam



Mamata Karki with other beneficiaries of Oxfam's Agro-input Voucher Program from Lamosangu village in Sindhupalchok district. Photo by: Kieran Doherty/Oxfam



Chuna Pariyar signs to get her petty traders grant from Ram Mahila Cooperative in Gorkha District. Photo by: Shreeju Shrestha/Oxfam

PERCEPTION OF BENEFICIARIES

CASH FOR WORK

Working for self and the community: BIMALA BALAMI

Bimala Balami, who is from Dachinkali in the Kathmandu district, is a young mother who was affected by the 2015 earthquake. Through the CfW program she was involved in a 15-day community improvement project that restored irrigation channels in her village. She earned a small salary fixed by the district government of GBP 57 (NPR 8,600). Balami said, "I loved being a part of Cash for Work programming which directly benefitted the entire village through the restoration of the irrigation channel, which now has brought water to the dry paddy fields."



Bimala Balami with her safety gear ready for work. Photo Credit: Oxfam

Towards a new dimension ANJANA LAMA

Anjana Lama, a 22 year old single mother of 2 daughters was a part of a 20-day CfW Program supporting the repair and maintenance the trail road in her village of Sunkhani in Sindhupalchowk district. She earned GBP 73 (NPR 11,000) in total, which was the most she had ever earned in a month. Her main responsibility was to coordinate and supervise 10 people (5 men and 5 women) by taking attendance, filling out forms, and supporting the workers as needed. She said "CfW program not only helped me to buy clothes and food for my daughters, but also grew my confidence due to the valuable work experience gained outside of her usual household duties". She was also impressed that Oxfam focused on supporting labor poor households (single women, people with disabilities, and elderly) though matching compassionate grant. She gladly added "this is the initial experience that actually inspired me to work as a social mobilizer for my community".



Anjana with her young daughter, captured while she celebrates women's day at Sunkhani VDC in Sindhupalchowk. Photo by: Bipana Dhimal/Oxfam

CASH GRANTS



Photo Credit: Oxfam-Gorkha

A grant for tailoring: PRATIBA GURUNG

Pabitra Gurung; an 18-year-old woman from Saurpani, Gorkha; supported her 3-person family through her tailoring business before the earthquake. Her small tailoring shop collapsed during the earthquake breaking her sewing machine, irons, and tools. Pabitra was selected for OXFAM's Petty Traders Voucher Support and received two instalments of cash totalling in GBP 100 (NPR 15,000) from the local cooperative in Saurpani. She also received 2 days of business awareness training provided by OXFAM in her community. She says the training was very productive for her business.

Livelihood recovery grant Support: PADMA MAYA THAPA

Padam Maya Thapa is from Takumajh VDC of Gorkha district who rears goats for her livelihood and income. She was selected to be part of the Livelihood Recovery Grant when her shelter and livelihood was compromised by the earthquake. Padam Maya at first was reluctant in being the part of the program thinking that it would be a long process for her to receive the grant and required lots of paper work. But she expressed here happiness after receiving the full amount of 14,000 NRP (93 GBP) as the livelihood recovery grant in just 2 months' period. The grant was provided in two installments the first being NRP 6,000 and the second of NRP 8,000. She also told us that "I am thankful to Oxfam for supporting me with this grant enabling me to buy 3 goats exactly like I mentioned in my Grant Expenditure Plan. I am so happy that I can re-establish my livelihood now."



Photo by: Raj Kumar Shrestha/Oxfam

VOUCHERS

Help for a new start: SITA NAGARKOTI

Sita Nagarkoti, is a 30-year-old woman from Chhampi, Lalitpur District who sustains her family through the sale of off-seasonal vegetables from the land she has leased. Her average weekly earnings of GBP. 15 (NPR 2,000) was compromised when the earthquake damaged the partial structure built on her land. She also lost her agriculture tools to the earthquake, leading her to borrow tools on a daily basis from her neighbors. She remembers those days to be full of hassle. However, she mentioned that the wait was not long: very soon she obtained her own agricultural tools, which she redeemed in exchange of vouchers worth GBP. 43 (NRP. 6000) provided by Oxfam. She managed to get herself a drip irrigation system, scissors, super-grain bag, a modern sickle and watering can. Sita is happy to be supported by the input voucher which proved to be very beneficial for her off seasonal vegetable farm. It was intriguing for her to be able to exchange the voucher at her local shop, choosing and acquiring required tools without any monetary transaction.



Photo Credit: Oxfam

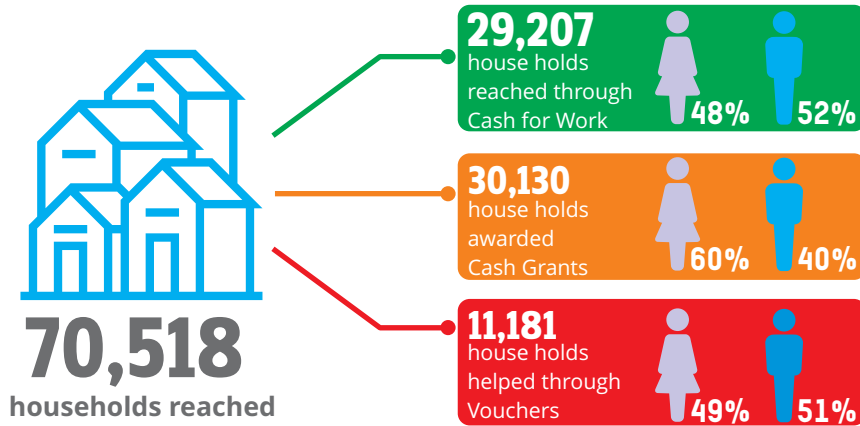
LESSON LEARNED

A review on Oxfam's Cash Transfer Programming of Nepal Earthquake Response was undertaken by an independent consultancy services in January of 2017 which focused on the overall program's effectiveness, efficiency, reliability and challenges faced. This review document highlighted following learning and recommendations:

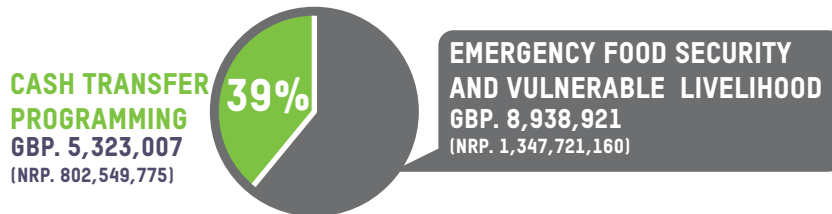
- Adoption of diverse grant amount considering need based targeting of similar households among districts created a sense of discrimination among the beneficiaries and complexity in cash transfer programming. This which could minimized by standardizing the Cash Grant and Voucher amount throughout the working districts in future programming.
- As part of contingency planning, support Ministry of Federal Affairs and Local Development (MOFALD) on the development of operational guidelines for conditional cash grants to support livelihood recovery interventions (agriculture, livestock and small business recovery grant) through cash transfer programming. This should be done in coordination with Cash Working Group.
- Capacity building of local level financial institutions/service providers (Cooperatives) and link them with central/formal financial service providers to as part of CTP preparedness. The preparatory work might include, mapping and identify interested/potential service providers for CTP in districts where organizations have existing programs, support local member based institutions in accessing registration and Personal Account Number (PAN) numbers and linking interested institutions to expanding their services in remittance (to reach to individuals beyond their members).
- Continue to work with the government line agencies local level stakeholders (coordinators, representatives from Municipalities and Gaupalikas, local community leaders, local suppliers and financial institutions) to be prepared for future response.

CTP IN NUMBERS

BENEFICIARIES UNDER DIFFERENT MODALITIES (2015-2017)



SPENDING (2015-2017)



COMMUNITY INFRASTRUCTURE REHABILITATED/RESTORED THROUGH CASH FOR WORK

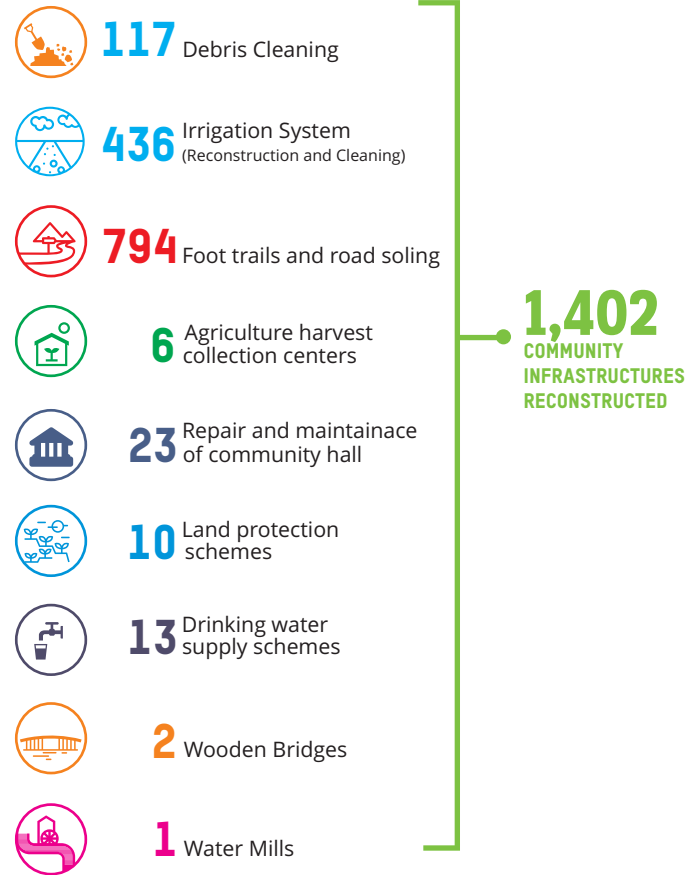




Photo credit for all: Oxfam



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