



# Cash for Work

## Purpose of this brief

Since the beginning of the emergency response operations in Puntland State of Somalia in March 2005, Save the Children UK has completed more than 25 Cash for Work schemes.

This brief is designed to provide the reader with an overview of the Cash for Work schemes that Save the Children has completed and inform the practitioner about Save the Children's lessons and experiences of implementing these schemes in Puntland.

## Cash for Work schemes in Puntland

Most of Save the Children's Cash for Work schemes in Puntland have been implemented in Karkar region, along the coastal belts of Bander Beyla and Hafun districts as well as in-land areas, in Qardho and Rako districts.

During this time, the cash element of these projects has benefited more than 1,300 poor and vulnerable households, mostly with children.

The projects have also left a number of important permanent structures behind such as roads/access pathways, dykes, small wells, rehabilitation of salt pans, bridges, water catchments, etc that have benefited the community at large.

## Objectives of Cash for Work

As part of the emergency response to the Indian Ocean tsunami in 2004, Save the Children implemented Cash for Work schemes with two objectives in mind:

- Generate income for affected households (especially the vulnerable ones) to enable them to meet their basic needs;
- Create assets and infrastructure that will benefit the wider community.

## Process

After completing more than twenty five Cash for Work schemes in Puntland, a cycle of activities was developed for the smooth implementation of these schemes (Figure 1).

## Community involvement in Cash for Work schemes

Save the Children's projects were eventually designed and managed by communities themselves.

However, considerable amounts of discussion and sensitisation of communities (particularly about objectives of Cash for Work and targeting the worst affected and vulnerable ones) had taken place before communities placed confidence in the design, effectiveness and management of the schemes.

In addition, feasibility studies were completed to ensure the social, financial, technical and environmental feasibility of the project.

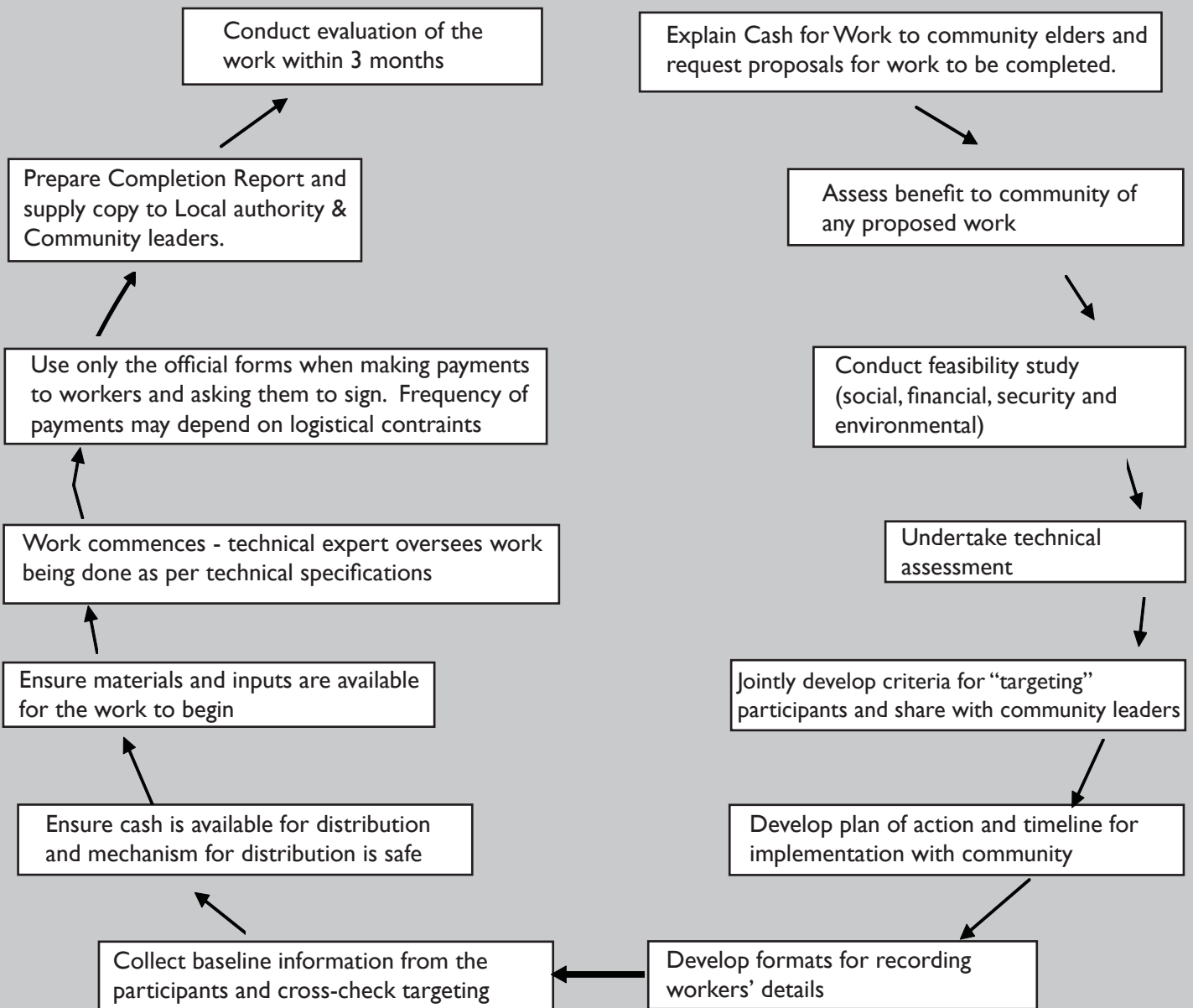
**Selection of Participants in the Cash for Work schemes**

The targeting criteria for selecting participants in Cash for Work scheme should be very clear and communicated to community elders, local authorities and key community stakeholders.

In the aftermath of a natural disaster, for example, the participants in a scheme may be the households affected by the disaster, and especially vulnerable households such as minority, female-headed and disabled households. This may affect the nature of the work that can be completed (i.e. labor intense work may not be appropriate).

However the criteria for selecting participants during normal/non-emergency periods will almost certainly be different and may include those from poor or very poor households, who may have a surplus of labour.

Figure 1



## Identifying mechanisms to transfer cash

In Somalia, informal money transfers are the safest and most effective way of delivering cash to participants in the scheme. The use of local money transfer systems (*Hawala system*) can minimize the risk of theft during the delivery.

Save the Children's Cash for Work interventions in Karkar Region involved direct cash distributions. Security risks were minimized, for example, by limiting the number of staff/people who have information about the payment day, varying payment days and delivering all the money required for a project at one time and keeping it in a safe.

## Technical Efficiency

Most of the Cash for Work interventions required a degree of technical input in order for them to be meaningful interventions (and not require constant rehabilitation/repair). None of the participants could provide this level of technical support.

It was therefore important for technical assistance to be provided to the scheme from outside and to be made available throughout the course of the work, or at a minimum, at the completion of key stages of the work. However, the cost of technical input should be kept to minimum so as to maximise benefits to the participants and communities.

## Timing of Cash for Work schemes

Save the Children started the Cash for Work schemes as soon as possible after the 2004 tsunami, to ensure that those most vulnerable and affected by the disaster received some household income and were able to purchase their household needs.

However, once the situation had stabilised and a return to usual livelihood patterns was possible, it was important for Save the Children to be aware of the potentially negative impacts of the Cash for Work interventions. For example, operating labour-intensive schemes during the fishing season might have encouraged able-bodied fishermen to enlist on the scheme and therefore affect their normal livelihood. Far better to operate a similar scheme during the Hagaa season when the seas are closed for fishing purposes and there is available labour.

## Role of cash

In the initial stages of the programme injecting cash remained the primary driver of the Cash for Work interventions because the commodity market was normal. This enhanced households; purchasing power and allowed them to meet basic needs. However at a later stage community asset creation gets priority over cash injection.

## Linking Cash for Work to longer-term Hunger Reduction

The logic behind creation/rehabilitation of community assets is to improve the livelihoods for the communities at large. As a direct result of the asset creation/rehabilitation from Save the Children's Cash for Work schemes, communities reported a:

- Decrease in transportation costs;
- Increase in market accessibility;
- Increase in long-term employment opportunities;
- Increase in sales of produce (especially lobster and other fish catches);
- Increase in income for the wider community;
- Increase in diversity of foods available and purchased;
- Increase in number of temporary villages becoming permanent, due to availability of community services;
- Improved community ownership of the assets;
- Increase in availability of credit (especially from petty traders);
- Existing social support systems strengthened.

## Monitoring & Evaluation

Collection of a comprehensive baseline about local market in the aftermath of tsunami/disaster was difficult in the initial stages of the response. However, information about household's wealth, their income and expenditure patterns, their household assets as well as food sources/intake were collected. Save the Children measured the impact of the cash for work interventions by comparing this information with similar information at the completion of the project and six months after. Those participants engaged in the cash for work schemes reported:

- Increased purchasing power and ability to repay outstanding debts;
- Increased availability and affordability of food and non-food-items in the market;
- Improvement in sanitation and hygiene in the communities;
- Improvement in accessibility of potable water in the tsunami affected areas;
- Increased access to previously isolated villages;
- Increased potential to invest in own business/income-generating activity.

## Challenges

Save the Children identified the following challenges that arose from the Cash for Work schemes:

- Clans' quota system- otherwise clan based conflicts being created if some clans or villages are left out;
- Women and old people complain about long distance to and from the project sites;
- Over-reliance or dependence on cash for work schemes by community leaders;
- Influx of inland migrants who could not meet the criteria be included in the project sites.
- As the number of participants increased, the money per person decreased thereby reducing the immediate benefits from the cash injected.
- Undermining essential existing livelihood activities/ strategies.
- Risk of cash being diverted or forged by community representatives or members.
- Misuse of cash for other than basic needs like purchase of cigarettes or khat.



## Recommendations

- Project orientation workshop must be held prior to project commencement.
- Criteria of participant-selection needs to be carefully explained to the community.
- Don't raise community expectations – if not sure of 100% delivery, don't commit.
- Cash for work schemes should be appropriate and relevant to the context.
- There should be a solid understanding of local livelihoods before a project starts, in order not to undermine existing livelihood strategies.
- Cash distribution should be through money transfer companies to minimize risks.
- Women and disabled people may need special arrangements to be included (often cash for work schemes are labour intensive, thus excluding these groups).
- Any cash for work project should be carefully chosen in order to create assets and infrastructure that will be of use to the wider community.
- Baseline information needs to be gathered before the intervention of the project in order to monitor and evaluate the outcome and impact of the projects.

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