

In complex emergency situations such as that in Somalia, marred by violence, destitution and famine, the Food and Agriculture Organization (FAO) of the United Nations has managed to implement a large cash-for-work (CFW) programme. The programme provides emergency relief while building the base for future recovery. This concept note aims at gathering lessons learned from FAO - Somalia's experience in designing and implementing a CFW programme.

## I. Background

Famine was declared in several parts of South Somalia on 20 July 2011. Decades of conflict, recurrent drought, and internal displacement had destroyed food systems and livelihoods, leading to destitution, displacement and finally, famine. FAO - Somalia responded to the crisis by providing emergency relief. This included:

- setting up a CFW programme so that the poorest households could buy food and other basic necessities, while rebuilding infrastructure;
- providing emergency livestock interventions to prevent further loss of livestock; and
- rebuilding agriculture by providing inputs such as seeds, tools, and fertilizer.

## II. Why was cash-for-work chosen over other emergency relief options?

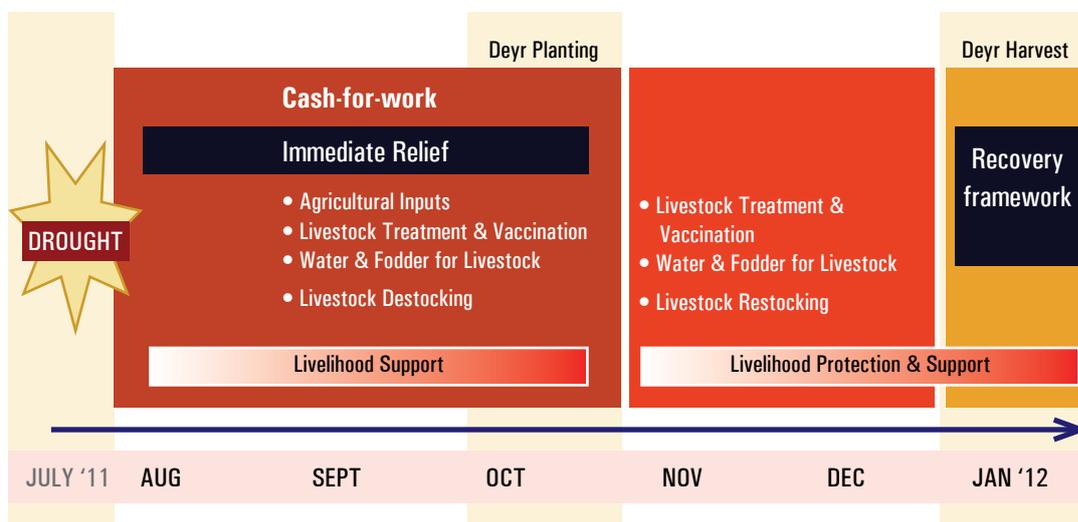
CFW provides immediate cash relief while setting the base for medium term recovery. It does this by rebuilding both livelihoods and infrastructure. Work opportunities provided by CFW ensure that vulnerable people remain in their communities, thereby avoiding more displacement and keeping social ties intact. When combined with other

interventions, CFW helps build the roots of stability that will prevent crises from recurring.

Other important reasons for choosing CFW include:

- Somalia has a widespread network of trustworthy money vendors who can safely make cash payments to beneficiaries;
- A February 2011 Food Security and Nutrition Analysis Unit - Somalia (FSNAU) study notes that most cash transfer programs in Somalia did not lead to noticeable price inflation. In addition, CFW is not expected to interfere with food and essential commodity markets;
- FAO has a strong existing on-the-ground presence and delivery capacity in Somalia;
- Households have the freedom to choose the foods and basic necessities they prefer; and
- People work on infrastructure projects that rebuild community assets and set the ground for medium term recovery. Livelihood opportunities are created, and people's skills are reinforced.

**Figure 1: CFW and other interventions, June-December 2011 and beyond**



*Cash as a relief response offers wide-reaching possibilities to benefit local markets and economies, to re-establish livelihoods and to enable beneficiaries to take control of the relief themselves (freedom of choice and empowerment)*

- Mattinen and Ogden, 2006

### III. Potential problems and precautionary measures

Cash-for-work often excludes vulnerable groups such as the elderly, the sick, pregnant women, and the disabled. In Somalia, FAO aims at having women make up 30% of the work force.

Enough food should be available on the market, whether from commercial imports or local sources, to check potential price inflation. FAO and its partners thus monitor market prices on a weekly basis.

In extreme situations, such as in Somalia, workloads should be considerably reduced to make sure that undernourished people are not physically taxed further. FAO has reduced participants' workloads by 1/3<sup>1</sup> while providing two weeks cash advances to buy food immediately.

### IV. FAO's experience in designing and implementing a cash-for-work programme in Somalia

As of August 2011, the programme was operating in eight regions in Southern Somalia and planned on involving 130,000 Households (780,000 people). It has a foreseen budget of 25 Million USD plus operating costs, and projected to run from August to October 2011.

- Households in areas classified as being in a "Humanitarian emergency" or "Humanitarian catastrophe / Famine" according to the Integrated Food Security Phase Classification (IPC) scale are targeted.
- Communities directly select the most vulnerable households. Partner NGO's facilitate the process.
- FAO has set a target of 30% female participation in the work programmes.

#### Box 1: Gender issues to be considered when designing cash-for-work programmes

- *Reduce barriers for female participation:* provide child care at work sites; provide training in infrastructure programs; allow women to work at times were they do not overlap with men (if taboo); set up basic sanitary services for women only, etc. Work schedules should be flexible so that women can work hours that do not conflict with their other responsibilities.
- *Create jobs that make use of women's skills and build women's assets:* preparing food, caring for children at work sites, and planting on fields farmed by female-headed households.

#### Setting priorities for projects and work requirements

The community identifies small scale community rehabilitation or infrastructure projects. Work requirements are based on the nutritional status of participants, their other essential duties and the current agricultural season. In Somalia, labour requirements have been reduced by at least 1/3 until participants' nutritional status improves. In addition, the programme makes a two week advance payment to provide immediate access to food and raise people's nutritional status before starting work.

#### How much cash should people earn ?

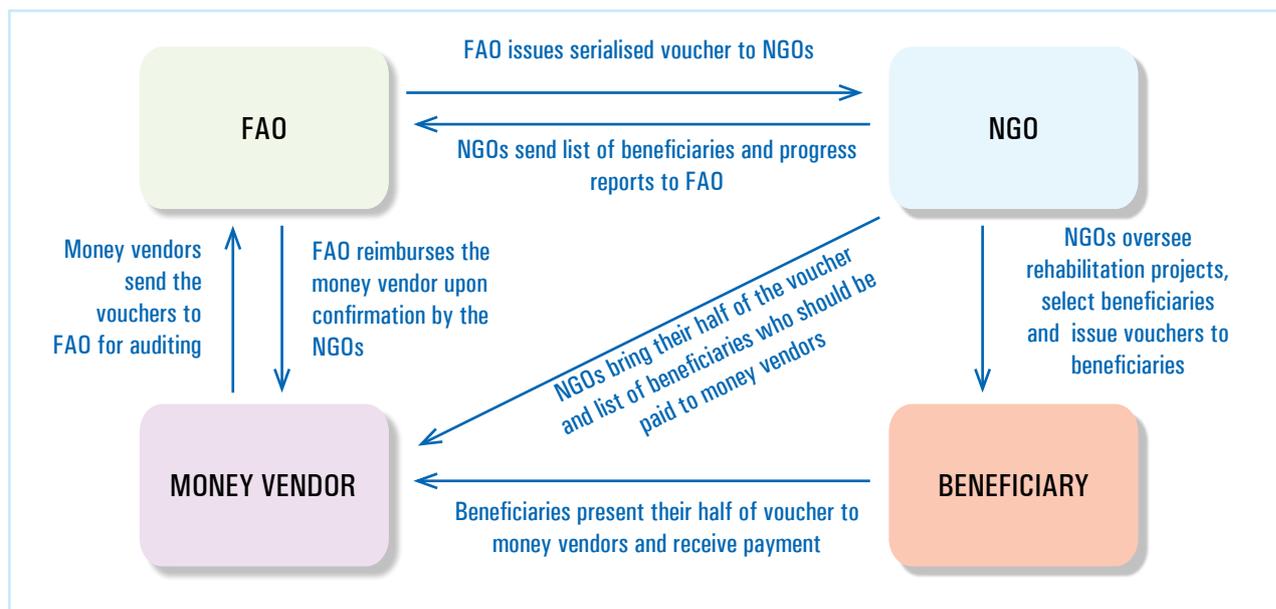
Each participant earns the weekly equivalent of the minimum basic food basket which in August 2011 was equivalent to USD 72/month. Thus, the CFW programme's average current wage rate was 72 USD/household/month, equivalent to a daily rate of 3 USD/day (26 days of work/month).

#### How should the cash be delivered?

The CFW programme in Somalia uses money vendors rather than local NGOs to deliver the cash (see figure 2). Payment vouchers are used so that implementing NGOs do not need to directly handle cash for paying beneficiaries. Each voucher has a serial number and is provided in duplicate copy: one copy goes to the partner NGO and the other copy

<sup>1</sup> For example, canal work, was reduced from 1.5M<sup>3</sup> to 0.5M<sup>3</sup>/person/day; water catchments from 1 M<sup>3</sup> to 0.3M<sup>3</sup> per person per day; feeder roads/bush clearing from 25 M<sup>2</sup> to 5M<sup>2</sup> /day (2 people).

Figure 2: How cash-for-work payments are handled



goes to the beneficiary. The partner NGO gives their voucher to the money vendor as a pay slip against which the beneficiary's voucher is verified before payment is made.

The money vendor collects both halves of each voucher. These are then presented to FAO to account for the funds advanced to pay beneficiaries. The money vendor then requests FAO for reimbursement. Upon certification by the partner NGO, FAO reimburses the vendor for the advanced payments, plus a reasonable fee for the services rendered.

### How is the programme monitored?

Twenty field-based monitoring officers keep track of the programme. They use participatory monitoring methods such as:

- beneficiary surveys to verify if selection criteria for participating households have been met;
- post-cash distribution phone calls to see if beneficiaries have received the cash and how they have used it; and
- post-project review questionnaires about the effects of higher purchasing power and rehabilitated infrastructure, etc.

Furthermore, partner NGOs submit weekly reports. Money vendors' records, vouchers and reports are checked to make sure beneficiaries have received the correct payments. In addition, FSNAU and partner NGOs monitor prices of basic staples and commodities on a weekly basis.

### Further Reading :

**The Food Security and Nutrition Analysis Unit - Somalia (FSNAU)**  
[www.fsnau.org](http://www.fsnau.org)

**FAO Somalia website**  
[www.faosomalia.org](http://www.faosomalia.org)

**Mattinen, Hanna and Ogden, Kate.**  
 2006. *Cash-based interventions: lessons from southern Somalia*, *Disasters*, 2006, 30(3): 297-315

**Inter-Agency Standing Committee IASC (2010), *Minimum Guidelines for Agricultural and Livelihood Interventions in Humanitarian Settings*, Somalia IASC Agriculture and Livelihoods Cluster**

This publication is available online at:  
<http://www.fao.org/docrep/015/an491e/>

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This concept note has been published under the EC-FAO Programme on "Linking Information and Decision Making to Improve Food Security" which is funded by the European Union.