

Determining value, frequency and length of the assistance – Standard Operating Procedure¹

Three key principles to consider when setting the value, frequency and length of the assistance are Relevance, Acceptance and Harmonization². *Relevance* in terms of **Cash for Rent (CfR)** is directly linked to the average cost of rent in a given community. *Acceptance* includes the caution and mitigation measures to avoid disrupting the market and exacerbating tensions within the community. *Harmonization* is achieved through coordination with other agencies providing cash assistance in the same area to set acceptable ranges based on evidence.

When the influx rises dramatically, and when new arrivals deplete their savings, pressure increases on the rental market, particularly for the most affordable units. Evictions might occur more frequently. Keeping these aspects in mind, the CfR payments' duration and frequency will be determined primarily by the objectives of the project and based on the needs identified during the assessment phase.

CfR amounts for Emergency and Transitional Shelter responses

- CfR implemented as an *Emergency Shelter Response* on its own or included in the Survival Minimum Expenditure Basket (SMEB) as a Multi-Purpose Cash Transfer (MPCT) will have a fixed rate or a maximum amount – set in coordination with the relevant working groups.
- Variances can be set between communities where the average of rent significantly varies. How much a specific HH receives might also vary when offering for example, two tiers of assistance “full SMEB” for extremely vulnerable or “half SMEB” for moderately vulnerable HHs.
- Considering CfR as a *Transitional Shelter³ Response*. The Shelter Market Assessment and monitoring of housing costs will provide the average rent per 1-, 2-, and 3-bedroom units. If there are significant variances, it is then necessary to decide *if* the programme should provide a fixed or variable transfer amount.
- The transfer amount *could* be adapted to shelter size in relation to the household size, for example with three brackets for 1 to 3, 4 to 7, and 8 or more members. Baseline data can indicate the expected frequency of these HH tiers among the target population, and the variance between rent costs.
- In Afghanistan, small HHs of 1 to 3 members are the exception and, if included for CfR, it would likely be responding to specific protection concerns (e.g. an elderly couple living away from relatives or persons moving away from domestic violence). On the other hand, a household with more than eight members, might include two families, so, providing CfR support to each family to have their private space might be also considered (even advised if vacant affordable units are found in the same building or compound).
- Can it ever be “too much money”? The answer is, Yes. Much discussion focuses on the fear that CfR might destabilize the market. The main risk of doing so is to overestimate the transfer amount (providing CfR significantly higher than the average cost in the local community), especially if paying this directly to the landlord, although this practice is now rare after the lessons learned from different country programmes.

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² Cash Transfer Programming for emergency and early recovery shelter, UK Shelter Forum, CaLP, ECHO, Oxfam and IFRC. 2012.

³ “Transitional shelter is an incremental process which supports the shelter of families affected by conflicts and disasters, as they seek to maintain alternative options for their recovery”. Transitional shelter is a process that starts with the first support offered to families [emergency response] and extends over the period of securing land rights, [security of tenure] and reconstruction, which may take several years. Shelter Centre, 2012, *Transitional Shelter Guidelines*, <https://www.iom.int/files/live/sites/iom/files/What-We-Do/docs/Transitional-Shelter-Guidelines.pdf>

- Considering the high mobility of families affected by conflict or natural disasters, providing CfR that is higher than the local and regional average can become a strong “pulling factor” further increasing the pressure on the local rental market and further destabilizing the communities.
- Providing a higher than the average rent, NRC would miss the opportunity to assist more families.
- An over-estimated rent amount can also affect beneficiaries themselves after the CfR period is over.
- Furthermore, providing CfR above the average shelter expense for local families can create or escalate tensions and resentment between beneficiaries and the host community – local families that could be exposed to risk of eviction.
- In Afghanistan, the Cash and Voucher Working Group (CVWG) has set the amount for shelter under the SMEB in 2018 at 2,000 AFN for the first month and 1,000 AFN for the second month (approximately 40 USD in total included in the MPCT assistance package for two months per displaced household of 7 people).
- The Shelter Cluster have agreed on a *maximum* of 75 USD per month as rent assistance.
- An additional request might be presented to adapt the shelter for people with limited eyesight or limited mobility (e.g. due to disability or advanced age). Refer to the *Guide to Age & Disability in NRC Shelter Afghanistan* for specific Shelter Standards and Considerations and consult with the Shelter Project Manager and Shelter Specialist to facilitate the assistance (e.g. additional cash distribution to cover related costs).

Frequency of CfR disbursements

- CfR as an Emergency Shelter Response included in the SMEB as a Multi-Purpose Cash Transfer is given in one installment – which is calculated to cover the shelter needs for up to 3 months.
- Considering CfR as a Transitional Shelter Response, beneficiary HHs might receive more than two disbursements per household if the CfR support for the HH is extended for 6, 9 or 12 months. Where is common to pay three months of rent in advance (as it is the case for Afghanistan), and to simplify the delivery of the cash, beneficiaries can receive/collect the equivalent of three-months of rent at once, in one installment. This will simplify the process for beneficiaries and also for internal operations.
- If or where there are concerns regarding security or cash flows, then the assistance could be delivered in two, or even three installments, each installment covering the estimated rent for one or two months (although this is not recommended as a default option).
- Whilst more evidence is needed, considering the experience of other cash-based interventions (CBIs), it is not recommended to provide more than 3-month of assistance at once. Carrying significant amounts of money from the collection point (e.g. mobile money agent) could increase security or protection concerns. Finally, the expected shelter outcomes might also be compromised (e.g. rent lost if families move out).

Length or duration of the assistance

Conflict and natural disasters in Afghanistan continue to result in large-scale and protracted displacement. It is also estimated that over half of the rural and urban housing stock has been partially or completely destroyed, being affecting therefore, both the supply and demand of the shelter market. In the debate around the length CfR assistance, it is important to recognize that local markets are struggling to cope with precarious housing stock and by the mere numbers or influx – independently to whether displaced families pay rent by their own means, with the support of a humanitarian agency, falling into debt, or relying on negative coping mechanisms.

- As mentioned above, a 3-month CfR assistance will continue to be considered lifesaving if responding at the outset of the displacement as an Emergency Shelter Response. As a Transitional Shelter Response in order to make a significant impact, longer-term assistance will likely be needed.
- Whilst more analysis based on evidence is still required, the length of the CfR assistance – from 3 to 12 months and if paying average rent cost – might not be considered a threat with a significant impact on the local shelter market. On the other hand, CfR should *not* become a permanent rent-subsidize given that prolonged assistance might start to impact the rental costs when scaling up programs in relatively small communities and with chronic shortages of affordable housing.
- For the beneficiary households, an assistance of less than 3 months has little impact and will unlikely provide enough time for displaced families to establish or reestablish a livelihood in order to afford future rental payments once the cash-for-rent assistance has ended.
- The first two months a household participates in the programme can be used for accompaniment and case management to decide whether to extend assistance (dependent on the HH resilience and budget available). Before the end of the third month covered by the CfR program, an extension of 100%, 75% or 50% of the estimated average rent can then be reconsidered for a second, third and fourth quarter of a year.
- From the perspective of project administration, internal controls and communications with beneficiaries, extensions of 100% might be more efficient. If the assistance is divided in two or three tiers (full CfR, three quarters or half of the CfR), the reasoning and amounts must clearly be communicated.
- For the HHs considered for an extension, the assistance can be delivered every three months.
- Three to six-month CfR assistance can make a difference to re-establish livelihoods when there is a household member with marketable skills that can draw household incomes. If there are no household members with adequate access to jobs, it may be preferable to consider longer-term support.
- For displaced HHs without a member with already marketable skills, 6 to 12 month CfR can provide some stability for a displaced family to settle down and find an income generating-activity or until the case is referred to a formal or informal social services or safety net system. Bearing in mind however, that in Afghanistan, other safety nets are also short term and there is no public programme that could be considered as an “exit” strategy.
- Without these safety nets, dependency is unfortunately a concern as it is from any type of assistance. In Afghanistan, National NGOs are working on establishing microbusiness cooperatives. Internal or external referrals to livelihoods initiatives are also explored within NRC and other INGOs. Still, only a fraction of CfR beneficiaries will be able to benefit from such programmes (often referred as Cash Plus). Therefore, NRC must continue to discuss and test pilot and innovative approaches towards durable solutions.