Thematic Session # 12
Livelihoods in disaster response?

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Conference

Recovering and Reducing Risks after Natural Disasters

GFDRR
Global Facility for Disaster Reduction and Recovery

ISDR

Global Platform
for Disaster Risk Reduction

Why livelihoods in times of disaster?

- Beyond the visible deaths and destruction
  - Critical loss of assets, livelihoods
  - Collapse of local economies and community networks and infrastructure
- Humanitarian and relief efforts often not accompanied by a longer term perspective
- Reconstruction also till very recently on rebuilding of infrastructure and support for housing by international agencies

Rationale for livelihoods programs

- Support to help the affected get back to work or rebuild their livelihoods
- Or, income support to temporarily replace loss of livelihood
- Two additional externalities that have longer term implications
  - Rejuvenating local economic activities
  - Community role in rebuilding infrastructure
- Vital role in reducing the risk of people falling into chronic poverty

Choosing from a menu of options

- Asset Transfers: designed to help replace machinery, livestock, and productive assets
  - Important to identify needs accurately
  - Easy to monitor, but may bypass market mechanisms
  - Vouchers
- Cash for Work and Cash transfers
  - Income support
  - Injecting purchasing power and rejuvenating markets
  - Self-targeting and rebuilding local infrastructure: cash for work
  - Challenging to design and implement
- Combination

Designing a Cash Transfer: Targeting - Who will benefit?

– Universal for affected area: Doesn't require targeting but can be very costly and with leakage to the non-affected

– Select geographic area: Politically challenging

– Household level: Clear, observable and verifiable criteria, easy to implement, reflect priorities

- Eg: Pakistan-Households had to fulfill one of the following: (i) have five or more children, including orphans; (ii) be headed by a woman; or, (iii) have one or more disabled members

Identifying beneficiaries

- Communities and local authorities: participatory, more information but communities may be ruptured and local authorities are stretched

- Existing safety net program: roster of the existing poor, but disasters create a newly vulnerable population

- Scorecard: fill simple form, objective criteria determine eligibility

Transfer amount and duration

- Should reflect on average amount needed to cover basic necessities
- Must balance households' needs with resource availability and labor disincentives
- Clearly announced duration or exit strategy and a transition plan for households who remain vulnerable, into existing social welfare programs
  - Eg: Pakistan:
    - a monthly cash grant amount of USD 50 per household
    - based on a calculation of the needs for an average household size of seven people.
    - Uniform payment for all beneficiary households
    - would continue for six months.

Delivery and Implementation of a Cash Transfer program

- Difficult tradeoff: Distribute money quickly while ensuring accountability
- How to deliver:
  - Access their transfers without high transaction costs
  - Options: Existing social welfare agencies or community institutions, banks and post offices, armored trucks
  - Eg:Pakistan-
    - Benefit payments made through banks
    - beneficiaries could open bank accounts for free
    - Accessibility of banks was problematic in remote areas and caused payment delays
    - Some households (e.g.,those headed by older women and widows) found the bank hard to reach

Designing Cash for work programs

- Self targeting

- Wage setting must balance needs without distorting incentives for work

  - Often, resulting wage < minimum wage

    - Example: In the employment guarantee scheme in the Indian state of Maharashtra, the wage level of the scheme increased substantially when the minimum wage rate was doubled in 1988, leading to a significant drop in the number of person-days of employment generated.

Delivering and implementing a cash for work program

- Projects must be ready to implement, have clear value to the community

- Labor intensive so that substantial proportion of project costs are labor costs

- Announcement of number of eligible beneficiaries per household, and mechanisms and timing of wage payments

- Build on pre-existing public works programs much easier than starting a new one

Data is critical in designing, implementing and monitoring effective disaster relief programs

- Pre-existing data helps:
  - Choosing appropriate design
  - Identifying affected communities or areas
  - Deciding on delivery mechanisms

- Eg: Pakistan- migrant population→ public works inappropriate

- Doesn't always give a complete picture: It's important to continuously collect new information as programs are designed and rolled out

Data is critical in designing, implementing and monitoring effective disaster relief programs

- Use all possible sources of information - administrative data, GIS information,

  social welfare programs

- Pakistan evaluation:
  - All the households in the 100 villages surveyed and their relative position to different fault-lines as well and fault-line that was actually struck.
  - We were able to demonstrate that households who lived closer to the fault-line (and were thus harder hit) *were no different in pre-earthquake characteristics* relative to those who lived further away.
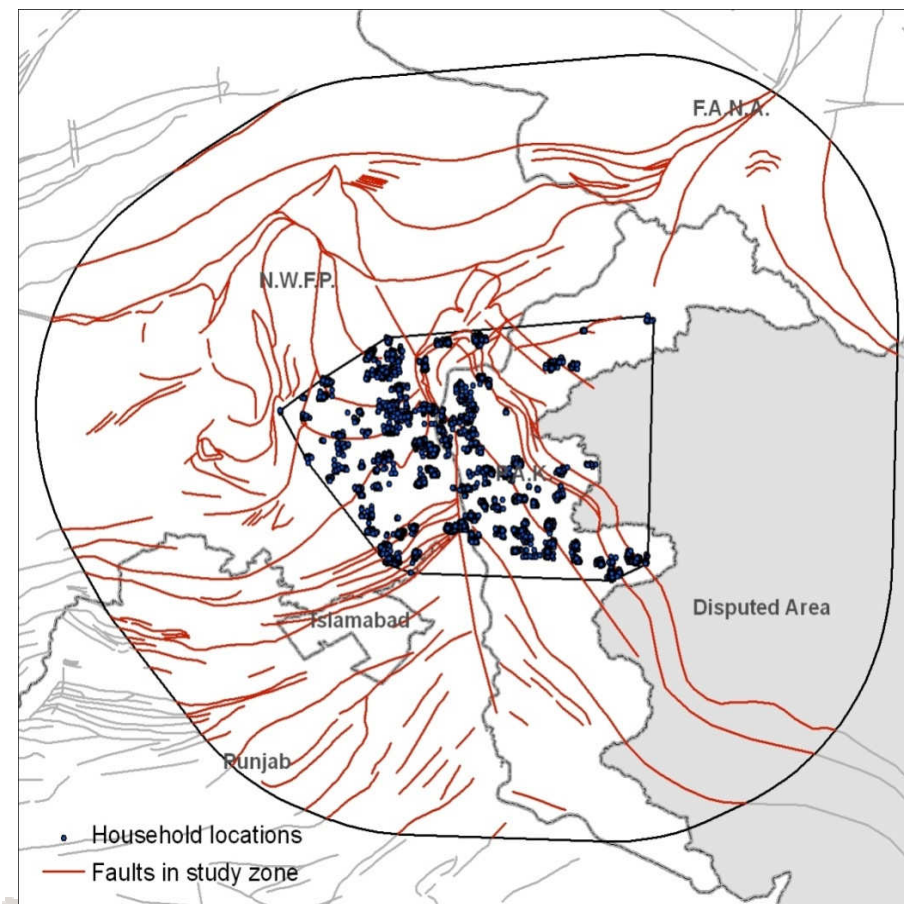
Data is critical in learning how to design and implement better

- Learn about effectiveness of relief
  - Educational outcomes recovered fully within 1 year
  - 4-years after the earthquake, there were no differences in enrollments between villages close to and far from the fault-line.
  - A large fraction of this recovery was due to the rapid response of the private sector.
  - Finally, cognitive outcomes were still lower in villages closer to the fault-line 4 years after the fact.

- Improve design:
  - Choice of banks as delivery mechanisms excluded some vulnerable groups- widows, elderly
  - Errors in targeting, *not because households systematically misreported*, but because they answered incorrectly

Live data for disaster management: RISEPAK

- Created in only ten days after the earthquake
- Volunteer-maintained live database; encouraged International agencies, NGOs to post information
- Track damage, information on injuries, what medical supplies are needed, what has been supplied, and what was still needed in each village
- "No village left behind": In 2 months, RISEPAK went from having data for about 200 villages to having data for about 950 villages.
- A system of unique village identification codes and, using satellite imagery, produced maps indicating where villages were actually groups of smaller settlements, ensuring that remote settlements were not excluded
- new directions for information management after disasters: Bottom-up information exchange to help coordination and targeting of relief efforts