

CASH FOR WORK

Policy & Procedures

I. Introduction

Cash for Work (CFW) are short-term projects that seek to aid conflict-affected people cope with the impact of crisis. The primary objective is to generate urgent cash income for highly vulnerable households so they can meet their basic needs, replace lost assets, especially income-generating assets, and help repair local infrastructure, basic services and the local economy. Areas of high priority for intervention are those with the likelihood of social tension.

Mercy Hands has based its Cash for Work policy and procedures on the Emergency Livelihoods Cluster in Iraq, which aims to standardize wages offered and beneficiary selection criteria where there are limited resources, gender barriers and cultural limitations.

Note: Mercy Hands is often required to use the donors' selection criteria for CFW projects. This is our fallback policy for other times.

II. Strategy

It is important to ensure that programs do not cause unequal advantages to certain groups. The following are taken into consideration when selecting beneficiaries.

- Assure there are equal opportunities for different groups to participate in CFW activities.
- Ensure that all populations living in the area have access to information regarding CFW.
- Work with local authorities and organizations to determine selection criteria.
- Seek the input of all groups before determining CFW projects in the area, especially marginalized communities and minority groups.
- Liberated areas may have unequal physical destruction so some communities may be more vulnerable than others. However, more CFW projects in those areas may lead to the perception of favorability thus balance must be ensured through community participation. As a result, selecting beneficiaries for projects in certain areas may be contradictory to their security interests. This is critical in cases with female CFW beneficiaries and where beneficiaries may need to commute across check points and on unsafe roads.
- Consider increased vulnerability due to perceived connection with suspected perpetrators.
- Select local beneficiaries to reduce mobility challenges and transport costs to maximize their benefits and minimize risks and issues.

III. Vulnerability Criteria

Social vulnerability includes:

- “Large family” (6 members or more);
- “Elderly people (age 60+) in the household”;
- “Single parent” (has children under 18);
- “Female head of household” (aged 18-59);
- “Pregnant or lactating women in the family”; and
- “Children under 5”.

Health vulnerability includes:

- “Clear status that medical treatment is required”;
- “Disability”;
- “Chronic disease” that hinders ability or mobility.

Shelter vulnerability includes:

- “Type of shelter”;
- “Status of shelter”; and
- “Standard of living”.

Income vulnerability includes:

- “Low income” (less than 450,000 IQD per month);
- “Unstable income” (daily workers); and
- “No income”.

Unskilled vs Skilled Labour

CFW aims to provide instant, temporary jobs for unskilled laborers in rehabilitating community facilities and basic services. However, skilled labour may also be needed to supervise and ensure the quality of work. Skilled laborers should not receive the minimum wage that the unskilled beneficiaries receive, but rather a fair rate for their daily work. There is the added benefit of unskilled laborers gaining vocational skills by teaming them up with skilled laborers.

TABLE 1 - Eligibility Criteria Scoring

CATEGORY	INDICATOR	SCORE EXPLANATION	POINTS	TOTAL	NOTE
Household Vulnerability	Large Family	Less than 6 members	0		
		6-8 family members	4		
		More than 8 family members	6		
	Elderly members	None	0		
		1 member	1		
		More than 1	2		
	Single Parent	No child under 18 years of age	0		

		At least one child under 18 of age	5		
	Female headed household	No male in the house (18-55yo)	0		
		With able-bodied male	5		
		Without able-bodied male	10		
	Lactating/ pregnant	No	0		
		Yes, one	3		
		Yes, more than one	5		
	Children below 5 years	None	0		
		Yes, one	2		
		Yes, two or more	3		
Disability Vulnerability	Long-term impairment to mobility or capability	No	0		
		Yes - Head of Household	10		
		Yes - other family member	5		
	Severe medical condition	No	0		
		Yes - Head of Household	10		
		Yes - other family member	5		
Shelter Vulnerability	Type of Shelter	Concrete Finished House	0		
		Mud Finished House	3		
		Unfinished, damaged or burnt House	8		
		Public Shelter (Mosque, school, etc.)	10		
		Chicken shed/Tent/Makeshift shelter	10		
	Condition of Shelter	Good condition	0		
		Poor condition	2		
		Very poor condition	5		
	Living Conditions	Independent (1 family in the house)	0		
		House shared with 2-3 families	5		
		House shared with at least 4 families	8		
	Costs of Shelter	Do not have to pay rent	0		
		Have to pay rent	5		
Income	Total income less than 450,000IQD per month	No	0		
		Yes	5		
	HH income earners	2 or more members of the family	0		
		0-1 members of the family earn an income	2		
TOTAL POINTS					

Eligibility does not ensure selection if the number of eligible households exceeds the planned number of beneficiaries and budget. Thus, the overall score helps in prioritizing those most needy and vulnerable.

IV. Market and Labour Needs Analysis

How do the most vulnerable community members normally meet their needs?

This is done by asking the families about their basic needs of food, water, healthcare, housing and education, as well as how they are met – what are their sources of income, including borrowing or begging.

What kind of work do community members typically engage in? Who?

This element of the assessment identifies the possible community needs for CFW activities apart from job creation - what type of work needs to be done and what skills and abilities are required for it. In an emergency context, certain types of work are more urgent, such as clearing rubble, healthcare, rehabilitation of public facilities and services, such as schools, youth centers, community clinics, or rehabilitation of infrastructure. This work should only be undertaken after obtaining government authorities' approval, coordination and support.

What are the wage rates for skilled vs. unskilled labour?

This ensures a benchmark with the existing labour rates in the market for different professions. It is important to minimize market distortion and avoid causing unintended economic consequences such as price fluctuation, dependency, or competition with local employers. The wage should be fixed at about 10% below the market rate to ensure that CFW projects attract the most economically disadvantaged individuals. However, in the immediate aftermath of a large-scale disaster, the majority of employment activities may be interrupted. In this case, it may be appropriate to adopt wage rates comparable or even superior to those previously in existence to rapidly reintroduce economic activity.

Unskilled labour wages in Iraq may be set at 25,000 IQD per day, equivalent to 20USD, for up to twenty working days so that the project provides an amount equivalent to the minimum expenditure basket (estimated to be \$400USD by the Cash Working Group in Iraq). However, this may vary between governorates so the Joint Price Monitoring (JPMI) and WFP's price monitoring per governorate should be consulted.

Skilled labour should be given a price close to the market rate since they ensure that the work is done in a technically sound manner and skills are transferred to the unskilled laborers.

In a Non-Emergency Context

Identify market prices for basic commodities - This ensures that the wages set are not too low to meet basic needs.

Compare the wages other NGOs are providing for similar projects and coordinate – This reduces the likelihood of disputes between communities related to differences in wage levels.

Determining CFW Wage Rates

According to the World Bank, the Ministry of Labour and Social Affairs set the minimum wage for a 19-year-old or apprentice at 92USD or 101,786IQD per month. Thus, if the minimum wage in the area where the activity is implemented is equal to this minimum wage the CFW rate should be the same, not any lower.

Gender Considerations

CFW has the potential to offer income-earning opportunities to which women, youth, and other disadvantaged groups may otherwise not have access. In conservative or traditional societies, offering such opportunities can empower them to have more independence in determining their future. However, CFW may have the opposite effect if the planning stages do not take into account steps to ensure protection, compatibility and safe access. The following points should be taken into consideration when selecting beneficiaries:

- Perform a separate analysis for women and youth to gain a better understanding of changing roles and responsibilities as a result of their circumstances.
- Include women and other marginalized groups in positions of management, project input and decision-making.
- Be flexible with the selection criteria to accommodate marginalized groups who may not have had equal opportunities or the ability to attend school or build skills.
- Ensure transparency and communication with the public on the process of developing selection criteria and selecting beneficiaries.
- Consider the ability of physically challenged people in CFW and give them priority for less physically demanding roles.
- Do not overlook men from being potentially vulnerable, e.g. as head of household with small children.
- Provide opportunities roles for women that they will not be excluded from on the basis of cultural or religious traditions.
- Allow for time flexibility to accommodate household duties.
- In the politically charged atmosphere of liberated areas, political marginalization of women and other groups may preclude their increased participation. Offer flexibility in roles or consider non-conditional cash. Women need not be placed exclusively in traditional women's roles, but given the opportunity to freely participate in any CFW program in the area when they meet the skill criteria.

V. Tools and Materials

Various types of tools and materials are needed in CFW activities. Those distributed to every participant include a uniform with relevant visibility and protection boots and gloves, especially for garbage collection work, cleaning, or other work that might cause infection or injury. Operational tools, such as carpentry tools, glass cutters, plumbing tools, measures, painting rolls and brushes, manual cleaning tools, etc. will be purchased on a case by case basis, and may be reused or donated to the local municipality. Materials such as glass sheets for windows, paint, plaster, pipes for plumbing, electricity wires, or any other needed material will be purchased as needed. In some cases, equipment may be rented, for example an excavator or truck.

VI. Health and Security

Preventive health and security measures are to be taken, as follows:

- Uniforms, gloves and protective boots need to be distributed to all workers if needed.
- Security training and orientation must be provided to workers, especially for post-conflict destruction, where the rubble or the garbage might include unexploded ordinances (UXOs).
- First aid kit should be available on-site with identification of the closest referral point in case of a health emergency.
- Precautions regarding heat and working in adverse weather conditions must be considered, e.g. start and finish work early before it is too hot.

VII. Payment Modality and Documentation

Time and Location

CFW projects are typically not used for large-scale, contracted construction or engineering projects. Payment structures include:

- Payments for unskilled labour are made as per actual work done (i.e. construction of a school).
- Skilled labour and materials may be contracted out whereby the management of paid labour is handled by the contractor.
- A mix of skilled and unskilled labour is possible whereby the NGO manages CFW for unskilled labour on a construction project in conjunction with a contractor.
- Alternatively, it may be stipulated as part of a construction contract that unskilled labour is taken from the immediate community. In this case, the unskilled labour payments are handled by the contractor.

Frequency of payment

This depends on the level of immediate need, security risks and wishes of the beneficiaries. Initial payments may be made daily to fill an immediate need for cash, but it could also be transitioned to weekly or bi-weekly payments.

Local Financial Institutions may also be used to facilitate direct payments. This reduces the workload and the risk of corruption. However, in many locations, formal financial services are not available for local communities. The following can be used to transfer payments:

- Mobile services provided by the financial institution
- Individual or group accounts
- Local cash transfer companies

Direct Payment – If the above options are not available, payments can be made directly by MH staff, by collecting and verifying attendance lists and coordinating with finance staff to prepare payment requests. All beneficiary workers must be verified by their national ID card, or by a community representative who knows the participants if they do not have ID. Beneficiaries should receive the exact amount and sign for it. All payments must also be signed by MH staff member.

VIII. Reaching an Agreement with Government Offices

A detailed Memorandum of Understanding (MoU) must be developed, including the responsibilities and action plan for both parties (NGO/donor and the government authorities).

IX. Monitoring and Feedback

Documentation (tasks, hours)

A plan should be prepared and approved before commencing work, indicating work to be done, number of needed labour days, number of needed laborers, and the tools and materials needed. A timesheet should be maintained indicating the start and end times, signed by each participant and approved by the supervisor. This will be used to calculate payments.

Documentation of work should include a pre-assessment per location, a report on tasks completed per location, all necessary permits, and communications related to government facilitation/ coordination.

Dated photo documentation before, during and after the implementation is essential to show the progress and difference made.

Post-Distribution Monitoring (PDM) and Impact Assessments

PDMs are done based on the total number of beneficiaries to obtain assessment and feedback of involvement in the CFW activities. This includes:

- How the income is spent
- Whether skills were learned and will they increase employability

It is necessary to identify how the project has impacted the following:

- Beneficiaries' basic needs and coping mechanisms that they need to take
- Whether the CFW activities were useful and relevant to the community
- Sustainability of the rehabilitated facilities
- The activities that were the most cost-effective
- How are private resources being used? Specifically, some activities do not produce public but private goods (shelter). This means that some of the activities are producing benefits that will be controlled by individuals, not communities.
- Are the activities having a negative impact on anyone? For example, will the supply of shelter materials in the community undermine private individuals or community groups trying to provide the same service for a fee?
- Impact on the workers – how are they managing to fit in the extra work? Have they stopped pursuing other livelihood activities in order to participate in the CFW program?
- Other impacts? Is the CFW supporting or damaging prospects for improved gender relations? Is the CFW supporting or damaging prospects for improved community relations, decrease in social tensions?
- Is the project having any impacts that were not anticipated? Has it affected the price of goods or labour in the community?
- Is there any evidence to suggest that people might be displacing themselves or abandoning other coping mechanisms to join CFW projects?