

**RED Card Program
(Repair and Development)**
CHILE EARTHQUAKE / 27F 2010



**Beneficiary Satisfaction
& Program Evaluation**

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I. BACKGROUND

On 27 February 2010, at 03:34 local time, an earthquake measuring magnitude 8.8 on the Richter scale struck 105km NNE of Concepcion and 115km WSW of Talca, the respective capitals of the Bío-Bío and Maule regions of Chile, at a depth of only 35km. This earthquake was then followed by an equally devastating tsunami. This double disaster, left more than 480 people dead, more than 1.8 million people affected, 81,000 homes destroyed and some 30 billion US dollars in damages. Heavy aftershocks, including a recent magnitude 6.8 on 11 February 2011, are still being recorded to this day.

The IFRC launched a preliminary emergency appeal on 2 March for CHF 7m that was later revised upwards to CHF 14.5m. As part of its shelter activities, on 27 May, the Chilean Red Cross (CRC) launched its 'Tarjeta RED' (Repair and Development) debit card program, which was designed to assist 8,400 families rebuild or repair their homes or improve the livability of their transitional shelters by allowing them to purchase needed construction materials and tools. The debit cards have a value of \$180,000 CLP (\approx \$376 USD)¹, a limited validity period, and purchases can be only be made at a network of 40 pre-designated hardware stores located in the affected regions and throughout the country. Distributions of all cards are expected to conclude during the first quarter of this year. As part of the financial contribution that the American Red Cross made to this program, a mid-term evaluation was also conducted.

II. EVALUATION OBJECTIVES & METHODOLOGY

The objectives of this evaluation were the following:

- **Assess the effectiveness and impact of the conditional cash for shelter grant**
- **Analyze the implementation strategy of the program**
- **Identify areas of learning opportunity**

Due to delays in the scheduled distributions of the card, the program evaluation was broken into two distinct phases. In order to assess program implementation, in August 2010 the evaluator conducted an on-site analysis of the program, identified and shared lessons learned and refined the tools to carry out the beneficiary survey and focus group discussions. The methodology for completing Phase I of the evaluation included, over the course of a two week period; a review of program documentation, interviews with CRC personnel (staff and volunteers), the IFRC RIT delegate who was managing the program, a visit to one of the selected hardware stores and participation in distributions to \approx 1,200 families in 11 of the beneficiary communities. Phase II of the evaluation, which consisted of measuring the impact of the program through the implementation of beneficiary surveys and focus groups, was conducted in October-November 2010 by the CRC Tarjeta RED program implementation team and the methodology for this phase is listed below.

In order to achieve results that accurately reflected the larger beneficiary population, a survey sample of 319 beneficiaries (out of a total population of 1,890 beneficiaries who received the card during the first round of distributions) was calculated at the 95% confidence level with 5% margin of error² using a simple random sample design. The sample frame was a list of all first round beneficiary households, and 319 beneficiaries were selected randomly using Excel. Logistical difficulties and time constraints due to new rounds of card distributions prevented the team from interviewing this number of beneficiaries, and thus the **total number of beneficiaries interviewed was 208**. This smaller sample size increased the margin of error to 6.4%.

The survey was administered by CRC volunteers and consisted of 23 questions that were designed to measure a majority of the key social and technical issues related to the above objectives. As not all of the beneficiaries answered all of the questions in the survey, for those with less than 100% response, the number of actual respondents to the question is listed as a superscripted number ^(n=xx) adjacent to the result. A lower number of respondents will increase the margin of error. At the time of the survey, **98% of respondents had spent the entire amount of the card.**ⁿ⁼¹⁹⁷ To provide additional subjective information, a greater sense of program impact at the community level, and further

¹ 1 USD = 478 CLP (xe.com, 24/2/11)

² The confidence level and margin of error can be interpreted in the following way: one can be confident with 95% certainty that the true value for the entire population of any indicator falls within the range of the sample estimate +/- 5%. For example, if the survey would find that 80% of respondents understood how to use the voucher; one could be confident with 95% certainty that the true value for the entire population of this indicator would fall within 75% (80% - 5%) and 85% (80% + 5%).

validate the individual survey results; **focus group discussions** with 6-9 beneficiaries were also held in 4 different communities. A total of **thirty community members** participated in these events. As the evaluator was not present for this phase of the evaluation, the analysis of the data received will be limited and the results will mostly speak for themselves.

III. FINDINGS, ANALYSIS & Recommendations

*The survey results reported below are point estimates of the means (or averages) of the indicators studied. Confidence intervals (which are the reported result +/- **the margin of error of 6.4%**) are not explicitly calculated, and the reader is reminded to consider the margin of error when interpreting the results. The analysis of the survey results is based on a combination of this objective data, the field visits and the subjective information received from the focus group discussions.*

In order to integrate the findings from both phases of the program evaluation, and because in some cases the information received from the beneficiaries ties directly back into program design findings, the results from both phases of the evaluation will be presented together in one section. The information that is **bolded** comes directly from the focus group discussions and beneficiary survey results, while the *non-bolded* information represents the findings from Phase I of the evaluation combined with, where relevant, an analysis of Phase II results. Information that is underlined reflects key recommendations.

GENERAL PROFILE OF RESPONDENTS

- **Nearly half of respondents were women (48%) and the average family size per respondent was 3.2**
- **83% of respondents earn less than CLP 170,000/month, which is roughly equivalent to the Chilean minimum wage; 11% earn between 170,000-340,000; and the remaining 5% earn more than this amount** ⁿ⁼¹⁹⁷
- **55% of respondents are living in transitional shelters; 38% are living in their original housing; and the remaining 7% are either living with relatives or another form of housing**
- **27% of the respondents plan to ask for a government subsidy or loan for rebuilding** ⁿ⁼²⁰⁰
- **24% of respondents were able to recover and re-use building materials from their original housing** ⁿ⁼¹⁹⁰

BENEFICIARY SELECTION

- **In 1 of the focus groups, the participants felt that the process of choosing beneficiaries wasn't fair as some who received the assistance didn't suffer major damages to their homes while a focus group in another community noted that the program excluded some families who they thought should have been eligible to receive the assistance. This led to some jealousy and resentment from community members who didn't receive the Tarjeta RED. The other 2 focus groups felt that the process was transparent and fair.**
- **20% said that their family had the necessary resources to repair their home or improve their transitional shelter before they received the Tarjeta RED.** ⁿ⁼²⁰⁶
- **46% of the respondents spent their own money on repairs, averaging 173,000 pesos** ⁿ⁼⁹⁵, **which is roughly equivalent to the value of the card.**

The criteria for selecting beneficiaries was very broad and there wasn't a detailed damage and needs assessment with each family. Rather, the program relied on beneficiary lists provided by local authorities and community leaders in conjunction with the Red Cross staff that were developed during the bulk distribution of relief supplies in March and April 2010. In some cases the data in the lists wasn't accurate, leading to the misprinting and subsequent voiding of the cards at the distribution sites. During distributions there were families at the distribution sites who claimed that they should be included in the program. In these cases, they were added to a waiting list and told that there would be a second distribution in the community at a later date. There is also the risk that segments of the affected population are not included because they aren't in good relations with the community leaders or live in between targeted communities. By knowing our beneficiaries and having accurate and updated information we can eliminate multiple distributions per community and their resultant logistical and time challenges.

Recommendation: In large or small-scale cash transfer programs, clear and detailed criteria for beneficiary selection needs to be created and then a detailed damage and needs assessment with each affected household should occur in order to verify program eligibility and mitigate complaints and/or resentment amongst community members.

Collaboration with municipal governments and particularly the “Ficha de Protección Social” or other potential partners would have allowed for verification of beneficiary’s name and national ID number (RUT) through the government database and thus reduced the need to void and re-print cards and conduct a second distribution in the same community. Also, on a large scale program such as this where individual needs assessments were not conducted; the partner could have also assisted in determining a family’s level of vulnerability due their ongoing casework and knowledge of the communities served by both their organization and the Red Cross.

DISTRIBUTIONS

- **99% of respondents said that the Red Cross explained the purpose of the Tarjeta RED and how to use it at the hardware store.** ⁿ⁼²⁰⁶

The distributions normally occur in a group with all the eligible members of the community present. In some cases, the distribution lists were posted so that all community members have the chance to review it. After an explanation of the card and its intended use is done at the group level, further clarifications are provided by the volunteers when they individually verify the persons ID against the information printed on the Tarjeta RED. Additionally, a pamphlet describing the use of the card and location of the designated hardware stores is also provided to the beneficiaries. The distributions that were observed were held in community centers and the distance from the beneficiary’s home to the distribution site could have been an issue. In smaller communities, door to door distributions were conducted. Overall, the explanation of the program to the beneficiaries was very clear and the distributions were efficient. Additionally, community members were encouraged to group their purchases together in order to receive free or reduced price delivery of their materials from the merchants.

- **75% responded that the store transported their materials for them** ⁿ⁼¹⁹²

Recommendation: For large scale cash transfer programs, the personnel and associated logistical resources allocated to the project and the distribution of assistance needs to be scaled up accordingly. While the value of the assistance was still relevant to the recovery of the beneficiaries when the cards were delivered 6-12 months after the disaster, with additional resources it could have been delivered in a timelier manner.

PRICE MONITORING SYSTEM

- **81% found good prices at the hardware store.** ⁿ⁼²⁰⁰

Besides monitoring beneficiary use of the card, the prices of a basket of select materials at various hardware stores should be monitored over the course of the program. A baseline should be conducted in order to verify that there are not any program-related markups on materials. Although it is estimated that there wasn’t any program-related inflation due to the high sales volume at these leading and competitive hardware stores, this price monitoring system is an essential component for a cash transfer program, especially considering its size (\$3MM in extra sales amongst ≈13 hardware stores in the 2 regions).

Recommendation: Conduct baseline survey of prices of key materials and then bi-weekly monitoring of prices during the distribution phase.

USING THE CARD

- **98% found the products that they needed at the hardware store** ⁿ⁼²⁰²
- **90% had no problems using the card at the hardware store** ⁿ⁼¹⁹⁹
- **Nearly all the respondents (99%) spent the entire amount in one trip** ⁿ⁼²⁰⁰
- **25% of the respondents spent the credit within a week of receiving the card; 13% during the 2nd week, with the largest group (42%) taking 3-4 weeks to decide what to buy. 20% of respondents did not use the card until at least a month after receiving the assistance.** ⁿ⁼²⁰¹
- **All of the focus groups felt that the process of choosing and buying the materials was a collaborative process amongst their family members, based on their collective needs for improving their homes.**

- **One of the focus groups noted that more time should be given for the use of the card or it should have been distributed earlier than it was.**

The Tarjeta RED, allows beneficiaries to only buy construction materials or tools at the network affiliated hardware stores. The accompanying user’s pamphlet/guide is well designed with clear instructions. The staff at a participating hardware store was knowledgeable about the program, thus eliminating difficulties for beneficiaries with the use of the card to procure their construction materials. Hardware store representatives were also going to communities with product catalogs, which greatly assisted beneficiaries who have a lack of access to transportation. An independently operated call center allows beneficiaries to verify the amount of funds remaining on their card along with the location of participating stores.

Recommendation: Ensure that the expiration date provides beneficiaries with a 30-60 day post-distribution timeframe to decide upon and make purchases. As the actual validity of the card is electronically set by the card issuer, instead of printing an actual expiration date on the card, the card should instead state that the card is “valid for 30 days”. If there are unforeseen delays in distribution, then the NS can request that the card issuer electronically adjust the expiration date for a certain set of cards, without requiring a new batch of cards to be printed with their associated costs and further time delays.

VALUE OF ASSISTANCE

- **Two thirds of respondents (64%) found that the 180,000 pesos was enough for repairs** ⁿ⁼²⁰⁰

By establishing the value of the card based upon the amount of funds needed to purchase a basic set of construction materials and tools, the amount was sufficient in most cases, when combined with their own resources, for the beneficiaries to make the needed repairs to their homes or improvements to their transitional shelters.

ABILITY TO MAKE REPAIRS

- **81% of respondents stated that they had the knowledge to make their own repairs with the materials purchased with the card, while 17% paid for someone else to do them. 4% stated that they did not have the knowledge and would have liked to have been trained in how to make the repairs themselves.** ⁿ⁼¹⁸⁸
- **All of the focus groups affirmed that the majority of the families living in the affected, rural areas where the cards were mostly distributed; have the experience and ability to build or make repairs to their homes. 3 of the 4 focus groups felt that some families needed assistance with choosing the materials or conducting the repairs.**
- **When asked which components of the program could have been improved (information, beneficiary selection, technical assistance, etc.), 2 of the focus groups stated technical assistance so that beneficiaries could optimize the use of their card at the hardware store.**
- **Nearly all respondents (98%) said that neither the government nor other organizations informed them on how to build or reinforce their house against future disasters** ⁿ⁼²⁰¹, nor was information on earthquake resistant construction techniques disseminated at distributions that the evaluator observed.

Recommendation: As the majority of repairs to their homes or improvements for their transitional shelters were to the walls or roofs, building on lessons learned and best practices implemented regionally, the distribution of the card should have also been accompanied by appropriate technical support. As noted in a recent IFRC case study on shelter programs following the 2007 Peru earthquake, an improved earthquake resistant adobe housing design reinforced with geogrid was designed and tested by Federation partners and later utilized for a permanent shelter program that integrated community participation and capacity building workshops. Even though the Tarjeta RED program was not a permanent shelter program, the information and best practices developed by the Federation in Peru for earthquake resistant housing designs could have been customized and provided as supplementary material to beneficiaries who plan to rebuild adobe homes, which are prevalent in some of the rural beneficiary communities, during the card distribution process. Other potential additions to the Tarjeta Red program could have included:

1. The Red Cross could hire a locally recognized and certified contractor and provide a half-day workshop/training on earthquake resistant building and basic home repair techniques along with safe construction practices to both beneficiaries and the community at-large.

2. During the distribution process, the RC volunteers could ask beneficiaries if they are in need of professional assistance to select the materials for their home. This list of beneficiaries could then be provided to a retained contractor, who would then schedule home visits to the requesting families and provide them with a no-obligation, free of charge shopping list of items that are needed to repair the damages to their homes or make improvements to their transitional shelters.

ALTERNATIVE PROGRAMMING

- With the benefit of hindsight, **78% of the respondents preferred to receive the Tarjeta RED instead of receiving a standard kit of construction materials worth the same value as the Tarjeta RED.** ⁿ⁼²⁰⁰
- As it took several months for the cards to be distributed, **one focus group stated that they could have utilized an unconditional cash transfer in the first two months after the earthquake to buy other items that they needed such as food and clothing.**

IV. CONCLUSION

- **All of the focus groups agreed with the following statement: *The Tarjeta RED program helped you recover on a psychosocial level and contributed to a more rapid recovery of the community because it provided the families with the opportunity to choose the materials and/or tools that they needed as well as being involved in the self-repair of their original home or improvement of their transitional shelter.***
- **All of the focus groups agreed that the Tarjeta RED was a good system and that it was appropriate to make it a conditional (purchase of construction materials and/or tools) cash transfer.**

A recurrent theme from this program, as well as a recently concluded cash voucher for shelter program in Belize, is to design into the programs the provision of appropriate technical assistance to beneficiaries, not only for the purchase of the materials and assistance with making the repairs, but especially for ensuring that there are the appropriate guidelines and information for making their home more disaster resistant, thus mitigating the effects of future disasters on families and their communities. Another key issue identified in this program is the process of beneficiary selection. With the relatively high amount of financial assistance provided through this and other cash for shelter programs, individual damage and needs assessments based on clear and detailed beneficiary eligibility criteria needs to be conducted. This requires a larger up-front resource investment into the program, but it will result in a timelier, more transparent and better targeted delivery of assistance.

The Tarjeta RED is a valuable and innovative early recovery tool that has allowed families to make their transitional shelters more habitable for the time period that it will take for permanent housing solutions to be finalized or in making repairs to their permanent homes. Overall, there is a very positive reception of this cash for shelter program by the beneficiaries, community leaders, local authorities and the media; and it is anticipated that the outcomes of the program will help lead to a more rapid recovery from this disaster by the beneficiaries and their communities. In line with the reasoning for choosing this method of shelter assistance, as outlined by the Chilean Red Cross in their Plan of Action, the Tarjeta Red has allowed the beneficiaries to meet their own unique needs, empowered them to participate in their return to a stable housing situation and contributed to strengthening economic activity in the affected regions.

"YOUR ASSISTANCE HAS BEEN THE BEST AND MOST SIGNIFICANT. WE ARE ETERNALLY GRATEFUL." (BENEFICIARY, CAUQUENES/CORONEL)

"I LIKE THE SYSTEM OF THE CARD BECAUSE IT ALLOWS ME TO CHOOSE ACCORDING TO MY PRIORITIES." (BENEFICIARY, TOME/EL MORRO)

"THE PROGRAM WAS GOOD AND IT WAS VERY USEFUL TO THE PEOPLE." (BENEFICIARY, QUIRIHUE/SANTA CAROLINA)

V. Appendices

Appendix 1 - Evaluation TOR

Appendix 2 – Focus Group discussion questions

Appendix 3 – Beneficiary Survey