

## 5. Rental support grants

### Description

Rental support grants are a form of cash-based assistance widely used as a way of supporting IDPs during humanitarian emergencies caused by natural hazards and conflict. There is an increasing tendency among humanitarians to favour cash-based interventions, particularly in urban areas, where the economy is also mostly cash-based and banking systems and markets are more dynamic. Such schemes have several advantages. They are an efficient way to cover a wide range of needs, they empower beneficiaries to prioritise their own spending<sup>1</sup> and they stimulate urban markets. They also reach large numbers of beneficiaries, support existing housing options and give households more flexibility and mobility in choosing their housing options.

In the aftermath of hurricane Katrina in 2005, the American Red Cross allocated more than \$1.5 billion in cash-based assistance, including for temporary rental support.<sup>2</sup> Urban areas such as New Orleans and Port-au-Prince, Haiti, have populations with different types of housing patterns and needs, and as such they require a more flexible range of solutions. The difference in terms of access to humanitarian assistance between land or property-owners and non-owners is vast in an urban landscape that has been ravaged by a natural hazard. The reconstruction of homes and infrastructure is an important priority, but there is now consensus that the needs of displaced tenants as a category of vulnerable residents have been long overlooked.

The rapid influx of IDPs into a city often creates a shortfall in the availability of affordable and adequate housing. Those who rented their accommodation before their displacement are likely to want to establish a similar set-up as part of their durable solution. Tenants, like property-owners, however, often suffer income losses during their displacement, which makes it harder to secure another rental property. As such, rental support grants are essentially a way to make up for lost income. Despite their straightforward nature, the organisation, monitoring and programming required for such initiatives can be complex, particularly when many conditions are placed on their disbursement.

Donors have also been hesitant in the past to hand out cash, even in the form of vouchers or debit cards, because of concerns about duplication, corruption and the overall sense that money as a fungible asset cannot be monitored and controlled effectively. There are often irregularities in the implementation of cash grants, but they are outweighed by the benefits and point only to the need for better safeguards. Unconditional cash grants give beneficiaries maximum freedom to set their own priorities, while conditional ones try to ensure that the money is spent on a targeted good such as education or rent.

Rental support grants address the needs of the most vulnerable populations who do not own property in land-poor urban areas. If they are implemented with basic housing safety and adequacy standards as conditions, they can also encourage providers to improve units and attract residents who are cash-rich. The inflationary effect of cash grants has been cited as a concern, but as the “keep the change” programme in Haiti illustrates, this can be mitigated by creating competition between landlords to ensure they offer competitive prices. Essentially, the programme encourages beneficiaries to negotiate their rent down with landlords by letting them keep the difference. For programme designers, this means understanding that as subsidies, rental support programmes operate in a market with different absorption and inflation rates. As such, it is important to understand and monitor the market, in order to track and make any necessary alterations to the programme’s scale or speed.

Rental support grants are a useful method to help IDPs cover their rental costs in a time of crisis until they can take over this responsibility themselves. However rental support grants need to be associated to other measures to have a long-term effect and contribute to durable solutions. The Graduation approach described in box one below shows how cash assistance can be combined to other measures to empower IDPs and reinforce their self-reliance.

## Case study: Rental support grant programmes (Haiti)

A report<sup>3</sup> by the Haiti shelter working group and an operational manual<sup>4</sup> by the World Bank carried out a comparative review of rental support grant programmes in Haiti to generate a methodology that could be applied both in the country and elsewhere, therefore contributing to knowledge transfer, one of our selection criteria. The two reports highlighted the strengths and weaknesses of various programmes and provided guidance on the steps and elements to include in a rental cash support programme. The practice below reflects the key positive features of rental support grant programmes identified in these two reports.

Snapshot	
<b>Practice</b>	Rental support grants in Haiti
<b>Main actors</b>	World Bank (funded the operational manual) IASC Haiti emergency shelter/CCCM cluster (produced the two reports)
<b>Context</b>	Post-disaster displacement Numerous IDPs still living in camps years after the 2010 earthquake and at risk of forced eviction by landowners and political drive to close them Lack of adequate housing and tenure security for tenants, especially those who were living in informal settlements before earthquake, and whose situation had worsened significantly since then Limited government resources and capacity to lead urban planning and reconstruction activities Humanitarian response in the form of emergency and transitional shelter not linked to a long-term housing reconstruction strategy or urban development plan
<b>Target group</b>	Urban IDPs living in camps due to be closed IDPs who did not own housing or land before their displacement and so did not necessarily qualify for transitional shelter, housing upgrades or new housing Owner-occupiers waiting for transitional shelter and durable solutions, such as return or resettlement to areas with newly constructed homes Displaced families willing to live with host families, so supporting both groups Displaced families who moved out of Port-au-Prince into the provinces
<b>Summary</b>	Rental support programmes were used in Haiti to relocate people out of camps back to their neighbourhoods of origin or other areas. Based on their housing status before the earthquake, residents in camps targeted for closure were given options of transitional shelter, housing repairs, new home construction or rental support grants. All of the options except the grants, however, were steered more towards homeowners than tenants, who made up the overwhelming majority of the urban poor. Grant of \$500 per household were given, varying on the basis of family size, to cover a year's rent with a private-sector landlord. The grants guaranteed that beneficiaries had access to safe, cost-free or highly subsidised shelter for the duration of the lease. The subsidy could also be used for repairs. <sup>61</sup> Houses rented through the programme were verified to ensure that minimum standards were respected in terms of safety and living conditions.
<b>Strengths</b> <i>(Key elements of right to adequate housing and key programmatic elements from matrix appear in bold)</i>	Targeted tenants, who tended to make up the large majority of the most vulnerable displaced families in urban areas Allowed 500,000 people to leave camps Focused on absorbing IDPs into existing housing stock, instead of waiting for new construction Ensured short-term <b>affordability</b> by covering rental costs for a fixed period of time The reports and operational manual contributed to a <b>transfer of knowledge</b> A "keep the change" policy was adopted to encourage beneficiaries to negotiate their rent with landlords owners, allowing them to keep the difference between the grant and the actual cost of their rent. The practice helped to improve living conditions in rented housing. Verification ensured minimum standards were respected in terms of <b>habitability</b> , access to services and build quality. This was key to ensuring that the "keep the change" policy did not lead IDPs to rent less than adequate housing to save more money. Verification also encouraged landlords to invest in improving and increasing rental housing stock. Such investment could be better guided with technical assistance on adhering to good construction practices in terms of disaster risk reduction, flood hazard zoning and general building regulations.

<b>Key challenge(s)</b>	Lack of follow-up on the fate of households after their one-year grant expires, particularly for those at risk of renewed displacement or forced eviction. Some studies suggest that only 25% of beneficiaries renewed their rental contract. <sup>61</sup> The main reason cited by the 75% who moved out was not having enough income to remain. This highlights the necessity for livelihood support programmes to complement rental support grants (see box on the graduation approach), although livelihood initiatives may not always be able to address structural poverty. Required significant oversight and monitoring to ensure rental housing stock was habitable and not in a hazard-risk area
<b>Factors for potential replicability</b>	Availability of affordable rental housing stock Landowners willing to sign written rental agreements with guidelines on maintenance, safety and protection from eviction Mechanisms to verify proposed rentals and determine their safety in terms of disaster risk reduction Access to bank accounts and/or mobile cash-transfer technologies

### Overview

On 12 January 2010, a devastating earthquake struck Haiti, killing more than 200,000 people and leaving 2.3 million temporarily homeless.<sup>9</sup> It was a huge disaster not only because of its scale, but also because of its effect on urban areas. Almost 20 per cent of homes in the capital, Port-au-Prince, were destroyed. Across the country as a whole more than 105,000 buildings were razed and 208,000 damaged. At the height of the crisis, around 1.5 million people were living in 1,500 temporary displacement camps in the capital and surrounding areas.<sup>9</sup> As of September 2014, there were still 85,432 officially recognised IDPs in 123 camps.<sup>10</sup>

Port-au-Prince had undergone rapid urbanisation and unplanned growth since the 1980s, leading to the expansion of densely populated informal settlements and a shortage of adequate housing and basic services for low-income residents.<sup>11</sup> Even before the earthquake, the country was short of 500,000 units, and the housing sector was worst affected by the disaster, incurring losses put at \$2.3 billion and accounting for around 40 per cent of all the damage it caused.

Haiti's political system and state institutions before the earthquake were described as "centralised, weak and self-interested" with poor capacity to delivery public goods, little legitimacy and vast inequality.<sup>12</sup> Article 22 of the country's constitution recognises the right of every citizen to "decent housing", and the Ministry of Social Affairs has an established public agency for the promotion of social housing (EPPLS). It is, however, vastly underfunded and has not been able to tackle systemic structural issues of "poor urban planning, lax building code enforcement and an archaic system of land registry". The "price of building materials is not regulated, rent control legislation is not enforced, and speculation on land and housing is widespread".<sup>13</sup>

These issues persist. EPPLS has since been strengthened, but social housing may or may not be appropriate

for Haiti, given that it is resource-intensive and requires significant government oversight. There is still a need though for more designated, serviced land for housing construction and the further integration of housing and urban growth management.

In parallel with the urgent need to address long-term structural issues in the housing sector, the situation in the country's displacement camps began to grow dire in 2010 and 2011. Many became seriously overcrowded, and health, water and sanitation conditions deteriorated, leading in some cases to cholera outbreaks. There were also increasing numbers of violent forced evictions, some enforced by the police, and gender-based violence, including sexual violence, was rife.

It is also important to note that not all of the camp residents were IDPs. Many were urban poor who were not directly affected by the earthquake in terms of housing, but both groups faced similar challenges.

When President Michel Martelly took office in May 2011, he made an ambitious pledge to close all camps within six months. He announced the 16-6 plan, which was to be financed by the Haiti Reconstruction Fund and called for the rehabilitation of 16 neighbourhoods and the clearance of six public areas where camps had been set up. The plan was implemented by a coordinating body, which included the government, IOM, UNDP, UNOPS and ILO.

### Policy shifts and programme design

Rental support programmes were the most popular way of moving camp residents back to their original neighbourhoods or other areas. Other housing options were also offered, including transitional shelter, housing repair and new home construction, but all options except the grants were aimed more at homeowners. Rental support grants were defined as "a financial payment given to a family displaced by a humanitarian emergency. The financial payment is given to a family or individual on the condition that it is used to pay for a fixed-term lease in

accommodation rented from a private-sector landlord. The cash grant guarantees that the beneficiary has access to safe, cost-free or highly subsidized shelter for the duration of the lease".<sup>14</sup>

Households were allocated baseline grants of \$500 to use either as a rent subsidy.<sup>15</sup> Given that 70 per cent of camp residents were tenants before the earthquake, the vast majority received rent subsidies. The baseline figure covered around a year's rent, and families with more than seven members received double.

After the earthquake, engineers from the Ministry of Public Works, Transport and Communication assessed the safety of buildings. Buildings considered safe were stamped green, those for repair yellow and those for demolition red. An environment risk map was also drawn up with "red zones" deemed to be at high risk of floods and landslides. Grant recipients were instructed to avoid these zones at all costs.

Payment was also subject to a home verification check to establish whether recipients' chosen property met building and safety requirements. Monitoring was an important component of the programme as a counterbalance to its "keep the change" element, which encouraged tenants to try to negotiate down their rent with their landlord and pocket the difference – a potential incentive to choose cheaper, substandard housing. Seventy-seven per cent of landlords surveyed in 2012 said they had invested around two-thirds of their rental income in upgrading their prop-

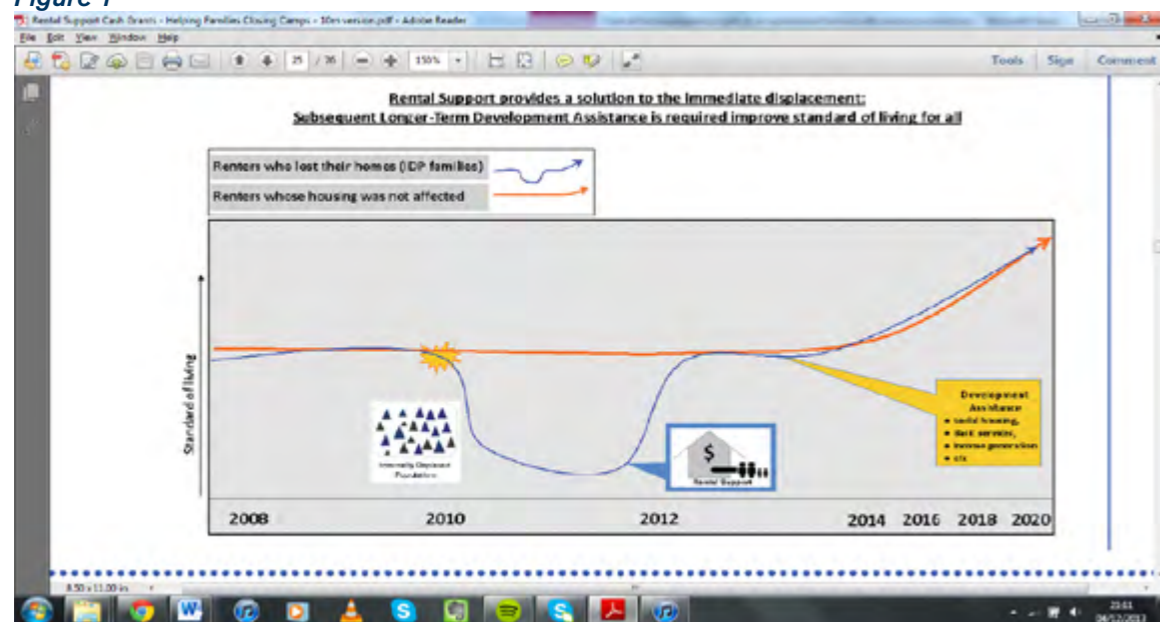
erties to meet the requirements of the home verification team, which led to some improvement in rental housing conditions.<sup>16</sup>

A grievance and appeals mechanism was set up for those excluded from the beneficiary list, made up of representatives from the Port-au-Prince mayor's office, the Unit for the Construction of Housing and Public Buildings (*Unité de Construction des Logements et Bâtiments Publics*, UCLBP) and IOM. People found to be making a fraudulent application were denied and told to vacate their camp. If they did not leave willingly, they were forced to do so under legislation introduced in 2004.<sup>17</sup>

### Impact and challenges

There is debate about whether rental support grants can be seen as supporting durable solutions, given that they cover only relatively short fixed periods, and as such are unlikely in and of themselves to end the cycle of displacement. The World Bank's operational manual suggests they should be just "one building block in an overall shelter assistance strategy aiming to provide durable housing solutions for displaced populations".<sup>18</sup> Their objective generally is to restore tenant's living standards to those before their displacement (see Figure 1). Complementary measures that monitor beneficiaries' ability to continue paying rent after their cash-based assistance ends or that keep track of affordable rental housing stock are not necessarily considered integral components of rental support grant programmes.

Figure 1<sup>19</sup>



(This diagram illustrates that the aims of rental support grants are limited to providing displaced families the opportunity to return to a pre-earthquake standard of living. Subsequent development assistance can assist both the displaced and the general population to improve their living conditions in the long term.)

According to a 2013 external evaluation of rental support grants in Haiti, no recipients returned to their camps, but only 25 per cent renewed their leases at the end of the first year.<sup>20</sup> Insufficient income was main reason cited for not doing so. The poorest urban residents earn less than \$2 a day. As such, livelihood support is essential to durable housing programmes (see box on the graduation approach). Such support cannot address structural poverty, but it can help IDPs who have temporarily lost incomes as a result of their displacement to recover wages, gain new skills and find other sustainable livelihoods opportunities. Families not eligible for grants because they did not have the required documentation received third-party help to obtain them.<sup>21</sup>

Contrary to initial concerns, the programme did not cause inflation in the rental housing market by flooding it with excess cash when supply was low for two main reasons. By June 2013, 40,000 people had secured rented accommodation in and around Port-au-Prince, meaning that a significant number of IDPs were housed in existing stock. The "keep the change" approach also helped to maintain competition between landlords, while the home verification checks ensured that the policy did not result in IDPs' living conditions deteriorating by their choosing

to rent cheaper, substandard accommodation in order to pocket more cash.

Rental support grants can be disbursed either as one-off lump sum payments or on a monthly or quarterly basis, which makes them easier to control but more expensive to administer. There are indications that lump sum payments in Haiti allowed some recipients to purchase land in the Canaan informal settlement rather than securing rented accommodation. As such, they could be seen as contributing to the expansion of such settlements, but in reality grant recipients made up only a fraction of those setting up home in Canaan. Its expansion is rather a symptom of the country's huge housing shortage, which neither the government nor the international community have addressed.

### Knowledge transfer

A variety of agencies worked together as part of the return working group of IASC's Haiti E-Shelter/CCCM cluster to implement the rental support grant programme. They included Catholic Relief Services, Concern Worldwide, IFRC, IOM, the J/P Haitian Relief Organisation and World Vision International.<sup>23</sup>

### The graduation approach<sup>7</sup>

Livelihoods support and overcoming barriers to work to complement cash-based assistance

Globally tested by the World Bank's consultative group to assist the poor (CGAP) and the Ford Foundation, an adapted form of the graduation approach is currently being piloted by UNHCR through Catholic Relief Services (CRS) and Caritas for 5,000 Syrian refugees in urban areas in Egypt. The approach focuses on the ultra-poor, who have no assets and are chronically food insecure. It uses a combination of cash assistance, social protection, livelihood support and microfinance to lift beneficiaries out of extreme poverty.

The most vulnerable households are selected and market analysis undertaken to determine viable livelihoods. Time-bound cash assistance is given to meet immediate needs while beneficiaries pursue business planning, legal and skills training leading to waged or self-employment. Self-employment is supported by seed capital or asset transfers.

The unique feature of this practice is its individualised approach. Each beneficiary is coached directly by a caseworker, who reviews each step taken and identi-

fies, prevents and responds to protection issues that arise from the livelihood support. The caseworkers visit the beneficiaries' homes or places of work at least twice a month or contact them by telephone. Such follow-up is expensive, with each caseworker taking on 100 refugees.

The pilot started in 2013 and is ongoing. Results as of at the end of 2014 were promising, with 800 beneficiaries having found employment. UNHCR plans to expand the pilot programme to rural areas, but there are no plans to include IDPs. Challenges in Egypt have included low pay and poor working conditions for waged employees and limited links between refugees and private sector entities.

The approach has not been piloted for urban IDPs, but they often face many similar challenges to urban refugees in terms of barriers to employment. Cash-based assistance and rental support are integral to addressing urban IDPs' short-term needs, but do not, on their own, provide a sustainable solution. Once the assistance runs out, households risk returning to their previous destitute state. The graduation approach, however, complements cash assistance with livelihood and vocational training, which facilitates self-reliance once the cash assistance dries up.

Each agency employed slightly different methodologies with varying degrees of success, and the working group's experiences were encapsulated in its 2012 Toolkit of Best Practices and Lessons Learned, which sought to transfer country-specific knowledge to global shelter practices. Two years later, the World Bank hired the toolkit's author, Emmet Fitzgerald, to write an operational manual on rental support grants - a knowledge transfer of humanitarian shelter experiences to an international development organisation that created a broad methodology with a specific focus on governments' role in devising rental support grant policies and programmes.

The Haiti programme was eventually integrated into the government's broader reconstruction and displacement policy agenda. If the approach had been further institutionalised, the grants could have been channelled through a government body rather than via various agencies.

UCLBP's 16/6 programme, which was developed in coordination with UN agencies, donors and international NGOs, suggested that rental support grants would be a short-term initiative to close six camps. The broader strategy focused on longer-term development activities, such as the repair and reconstruction of neighbourhood housing; the rehabilitation of neighbourhood infrastructure; disaster risk reduction activities focused on mapping environmental risks; the creation of "community platforms" to decide how funds should be spent in their neighbourhoods; livelihood programmes to reinvigorate the local economy; and professional training programmes for local residents.<sup>24</sup>

The success of Haiti's rental support grant programmes lies not so much in the closure of camps, but in the knowledge transfer from the return working group's practical experiences to an institutional norm in the government's strategic framework for disaster response, and to a general methodology for such interventions in other contexts. The World Bank manual outlines the project cycle; the grievance and appeals process; protection, health and psychosocial support; and data management. The project cycle consists of eight steps, which cover registration, communication, property inspections, payment, relocation, dismantling tents, camp closure and a verification visit after six to eight weeks.<sup>25</sup>

The manual sets out governments' role in the design of rental support grants as being to:

- Define and standardise the cash value of the grants
- Define and standardise the duration of rental contracts
- Standardise a "keep the change" approach
- Standardise rental housing safety standards
- Identify "red zones" in which no buildings are safe
- Prioritise beneficiaries by family or by camp
- Standardise vulnerability criteria

- Prevent the illegal eviction of IDPs
- Standardise data collection<sup>26</sup>

It also addresses the specific interests of vulnerable groups, and recommends the establishment of protection teams to assist elderly people, people with reduced mobility, blind people, people with acute or terminal illnesses, people suffering from psychological trauma, single parents with large families, families with children showing indicators of malnourishment, pregnant women and unaccompanied minors.<sup>27</sup>

The manual also envisages the use of innovative data collection and monitoring tools such as smartphone applications to register camp residents, and strategies to circumvent forgeries and illegitimate claims for grants.

#### Impact

Rental support grants in Haiti helped to clear some of the camps targeted for closure. Some were forcibly evicted by landowners, and others left because of the threat of natural hazards and disease. Many owner-occupiers left because they were eligible for transitional shelter, reconstruction assistance or new homes.

The rental support grant programme also encouraged private sector reconstruction and repair by increasing demand for affordable rental housing. As such, it had economic benefits for the wider affected community and the neighbourhoods people returned to.

#### Conclusion

If they are to contribute to durable solutions, rental support grants need to be combined with longer-term complementary programmes. The most sustainable impact of the Haiti initiative is its inclusion in UCLBP's programming and the government's disaster response strategy. It has also influenced the thinking of both humanitarian and development advocates for the use of such programmes elsewhere.

Cash-based assistance is by no means unique to Haiti. It has been used for decades in many other parts of the world. The lessons learned from Haiti are valuable, but it is unclear whether there has been enough institutional reflection and longitudinal studies on the history of such support.

#### Notes

1. For more information see: An Introduction to Cash-Based Interventions in UNHCR Operations, UNHCR, March 2012, available at <http://www.unhcr.org/515a959e9.pdf>
2. Paul Harvey, Cash-based Responses in Emergencies, ODI, 2007, p.9
3. Emmet Fitzgerald, Helping Families, Closing Camps: Using Rental Support Cash Grants and Other Housing Solutions to End Displacement in Camps, IASC Haiti E-Shelter/CCCM cluster, 2012
4. Emmet Fitzgerald, Rental Support Cash Grants (RSCG) Program: Operational Manual, World Bank, 2014
5. Helping Families, Closing Camps, UCLBP and Government of Haiti
6. Condor, Juhn, Rana; Wolfgroup Performance Consultants, External evaluation of the Rental Support Cash Grant Approach Applied to Return and Relocation Programs in Haiti, January 2013, available at: <http://goo.gl/YQg5Zm>
7. UNHCR, DPSM Key initiatives, The Graduation Approach, 2014 and UNHCR, Global strategy for livelihoods, UNHCR 2014-2018, 2014, P.47
8. Some fled undamaged buildings out of fear, so were able to return quickly
9. Amnesty International, [Facts and Figures Document: Displaced People Still Leave in Despair Four Years after Devastating Earthquake](#), 9 January 2014, last accessed 7 January 2015
10. Amnesty International, [Ten Facts about Haiti's Housing Crisis](#), 12 January 2015, last accessed 15 January 2015
11. "In 1997, a study by the GOH reported that 67 per cent of the Port-au-Prince population lived on 22 per cent of the city's inhabited area," in Priscilla Phelps, "Analyzing the Haiti Post-Earthquake Shelter Response and Housing Recover: Results and Lessons from the First Two Years." The World Bank. 2013, p.12
12. NORAD, Guidance Note: Reconstruction and Long-term Capacity Development in Haiti, October 2010.
13. Mennonite Central Committee, Permanent, Social Housing in Haiti: Recommendations for the US Government, 2013, p.2
14. Emmet Fitzgerald, "Rental Support Cash Grants (RSCG) Program: Operational Manual." World Bank. 2014, p.7
15. UCLBP, Helping Families, Closing Camps
16. Condor, Juhn, Rana, Wolfgroup Performance Consultants, [External evaluation of the Rental Support Cash Grant Approach Applied to Return and Relocation Programs in Haiti](#), January 2013, p.10
17. Fitzgerald, p.49
18. *Ibid*, p.8
19. *Ibid*, p.24
20. Wolfgroup Performance Consultants, [External evaluation of the Rental Support Cash Grant Approach Applied to Return and Relocation Programs in Haiti](#), January 2013
21. Rental Support Cash Grants (RSCG) Program: Operational Manual, p.42
22. UNHCR, DPSM Key initiatives, The Graduation Approach, 2014 and UNHCR, Global strategy for livelihoods, UNHCR 2014-2018, 2014, P.47
23. Wolfgroup Performance Consultants, [External evaluation of the Rental Support Cash Grant Approach Applied to Return and Relocation Programs in Haiti](#), January 2013, p.23
24. Rental Support Cash Grants (RSCG) Program: Operational Manual, p.20
25. *Ibid*, p.12
26. *Ibid*, p.32
27. *Ibid*, p.40