A.2 Chile - 2010 - Earthquake

Case study:

Country: Chile
Disaster: Earthquake
Disaster date: February 27th 2010
No. of houses damaged or destroyed: More than 200,000 houses
Project target population: 10,000 households
Shelter size: Variable
Materials Cost per household: 375 USD value per household on the card

Project timeline

<table>
<thead>
<tr>
<th>Time Frame</th>
<th>Event</th>
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<tbody>
<tr>
<td>17 months</td>
<td>Project completion</td>
</tr>
<tr>
<td>15 months</td>
<td>Final delivery of cards</td>
</tr>
<tr>
<td>13 months</td>
<td>Number of beneficiary households increased</td>
</tr>
<tr>
<td>6 months</td>
<td>First delivery of cards</td>
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<tr>
<td>5 months</td>
<td>Partnership agreement with supporting company signed</td>
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<tr>
<td>3 months</td>
<td>Start</td>
</tr>
<tr>
<td>2 months</td>
<td>Project coordinator hired</td>
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<tr>
<td>1 month</td>
<td>Shelter specialist arrives to support the country team</td>
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<tr>
<td>February 27th 2010</td>
<td>Earthquake</td>
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</tbody>
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Project description
Following a non-food item distribution to 10,000 households, plastic cards with magnetic strips were given to earthquake affected households. These cards were valid for 30 days from manufacture and could be redeemed in 40 pre-designated hardware stores located in the affected regions.

Strengths and weaknesses

✓ In general the project was well received by beneficiaries giving them flexibility to spend resources as they saw fit.
✓ The project team invested time to explain the project to the beneficiaries. Suppliers were also able to explain the process well to beneficiaries.
✓ Community members were encouraged to group their purchases together to receive free or reduced price delivery of their materials from the merchants.
✗ The process of choosing beneficiaries was not as clear as it should have been. Many affected people felt that many of those who received assistance didn't suffer major damage to their homes. Others noted that the project 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 did not receive cards.

✗ More time should be given for the use of the card or it should have been distributed earlier than it was.
✗ The project did not provide technical support on safer and more earthquake resistant construction. It did not build on the experiences of recent programmes in neighbouring Peru.
- The prices of a basket of selected materials at various hardware stores should have been monitored over the course of the project. At the start, a baseline price survey could have been conducted to check that the project had not lead to price escalation. However in a mid-term evaluation, 80% of the targeted families found the prices in the stores acceptable, and there was little evidence of price escalation due to the project.
After the earthquake

On 27 February 2010 an earthquake of magnitude 8.8 struck Chile. The epicentre was located 60km southeast of the nearest city in the Maule region (400km south of Santiago).

The earthquake generated a tsunami, affecting 500km of coastline. The earthquake and successive tsunami caused hundreds of deaths and serious damage to homes and other infrastructure, primarily in the Maule and Bio Bio regions.

The survivors of the earthquake had to survive the remaining months of the winter without appropriate shelter.

According to the Chilean Ministry of Planning, in the worst affected region (Maule) nearly one in five people had a damaged or destroyed house. The earthquake affected 5 cities with over 100,000 inhabitants, 45 other cities with over 5,000 inhabitants each, and more than 900 villages. It affected both rural and coastal communities.

Emergency response

During the emergency phase of operations, the organisation distributed the following non-food items:

- Tents (1,587 families)
- Tarpaulins (20,650 families)
- Blankets (44,740 families)
- Hygiene kits (11,290 families)
- Kitchen sets (11,175 families)
- Buckets (22,370 families)

However, this first phase of the response was slow and did not meet all of the needs. As a result, other approaches were developed.

Implementation

It was decided to implement a voucher scheme using a plastic card with a magnetic strip.

The voucher scheme complemented the delivery of the emergency items, as it allowed for the improvement of housing solutions through the purchase of different household items, as well as material for the reconstruction of damaged homes. The monetary value of the card (equivalent to 375 USD) was decided in line with the legal minimum wage at the time.
The organisation trained both staff from the participating suppliers and beneficiaries on the use of the cards. In a project evaluation, recipients of the cards generally found the staff at participating hardware stores knowledgeable about the project.

Staff from the hardware stores travelled to communities with product catalogues. This assisted affectees who had limited access to transportation.

A partnership was established with the Corporate Social Responsibility programme of a Chilean company. The company verified beneficiary data, printed relevant documentation and opened a permanent call centre to answer any questions about using the card.

A call centre was also established to allow beneficiaries to verify the amount of funds remaining on their card along with the location of participating stores.

The validity of the card was set on the magnetic strip by the manufacturer, but an expiration date was also printed on each card. Due to the time needed to distribute the card, some beneficiaries had less time to purchase material.

Selection of beneficiaries
The criteria for selecting beneficiaries was very broad, and took into account which families had received relief kits. No detailed damage and needs assessment was conducted. In practice, the project relied on beneficiary lists that were provided by local authorities and community leaders along with lists provided by project staff. These lists were developed during the distribution of relief supplies in March and April 2010, some months before the distribution of cards.

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 project. 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 was also the risk that segments of the affected population were not included because they did not have good relations with the community leaders or they lived in sites between targeted communities.

Technical solutions
Once the users received their cards, they had one month to use it. Partial purchases were allowed, meaning that they could buy several times during the month in smaller volumes. One other way to use the funds on the card was to make a bulk purchase for the total value of the card.

At a later stage, initial home repair guidelines were delivered at the same time as the cards. These were in line with an agreement signed for future collaborations between the organisation and the relevant government Ministry. During an interim project review, approximately 80% of respondents stated that they had the knowledge to make their own repairs with the materials purchased with the card, 17% paid for someone else to do them, while 4% stated that they did not have the knowledge and would have liked to have been trained in how to make the repairs themselves.

Project conclusion
Initially the project targeted 8,400 households, but this was later increased to 10,000 families. The project was implemented in one year – from May 2010 to May 2011. It took a little longer to close the project as some transactions could only take place once all invoices had been received.

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