

SDC FACTSHEET CASH & VOUCHER ASSISTANCE

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Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun svizra

Swiss Agency for Development
and Cooperation SDC

FACTS AND FIGURES

Definition

Cash and Voucher Assistance, CVA (also referred to as Cash Based Interventions, Cash Based Assistance, and Cash Transfer Programming) refers to all programs where cash transfers or vouchers for goods or services are directly provided to recipients in order for them to meet their varied needs on the local market (food, water, non-food items, rent, access to education and health, or else).

Cash and vouchers are transfer modalities which can be provided separately or in combination with other modalities (such as in-kind, service delivery, technical support) and can be used to cover all needs or a set of these, in an emergency, a recovery phase or protracted crisis.

Benefits and risks

CVA make the recipients prime responsible for their recovery, with the flexibility to make the best choices according to their needs, without having to resort to negative coping mechanisms like selling assets or worse. It stimulates the local economy with a multiplier effect on the market and can promote financial inclusion, while allowing for economies of scale for donors. It also allows humanitarian actors to choose the best delivery options according to each context's specificities.

In a world where needs keep increasing while resources are shrinking, and where humanitarians seek to adequately assist affected populations, based on greater accountability, CVA can help bring more effectiveness and efficiency in humanitarian responses.

When it comes to risks related to using CVA, they are often based on perceptions rather than evidence and are similar to risks for in-kind assistance. Years of evidence building have shown that CVA can be successful in highly difficult contexts if well programmed and with risks well mitigated.

SDC and CVA

While it is only in the last 12 years that the use of CVA has significantly increased in the humanitarian response, SDC was a pioneer by using it already in 1998 to ensure affected populations in the Balkans could recover their livelihoods and reconstruct their homes. It later started to lend its cash experts to the largest operational agencies to help build their capacity.

CVA came to the spotlight in 2004 with many pilots in response to the Tsunami. Since then, the use of CVA has increased significantly. In 2016, the Secretary General stressed at the World Humanitarian Summit that where feasible "cash should be the preferred and default modality". In 2018 it was estimated, that only around 16% of humanitarian assistance was provided under the form of CVA.



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Scope of engagement

SDC Humanitarian Aid (SDC/HA) has been a strong advocate for CVA for many years and engages in different ways:



As a donor, SDC has been financing partners using CVA. Non or light earmarking makes it difficult to estimate how much exactly Switzerland spends on CVA, but this approach is favourable as it leaves the flexibility to partner organizations to choose the best or a combination of the best transfer modalities. For instance, when markets have not yet recovered after a sudden shock, a partner might decide to start with in-kind distributions before switching to CVA a few weeks later as a way to stimulate the recovering market.



As an operational agency, SDC/HA has been using **cash transfers in its direct projects** since 1998. Projects had very different durations, from a few months to six years. In the last project, an emergency cash pilot project, SDC/HA provided CVA to 300 households affected by the November 2019 earthquake in Albania within a week.

Switzerland's direct humanitarian action using CVA

1998 → 2020

30 projects
23 years
CHF 66.8 millions

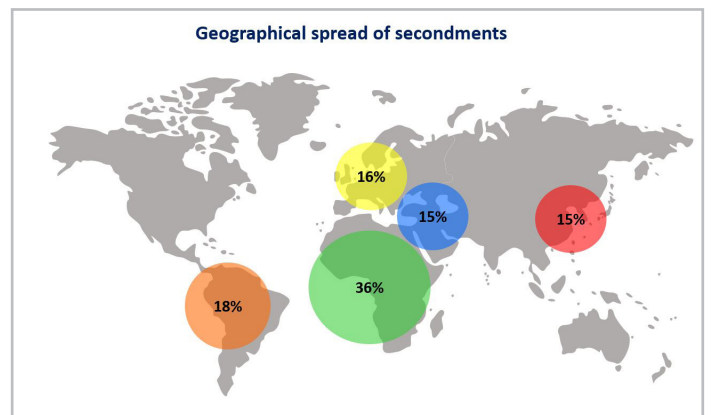
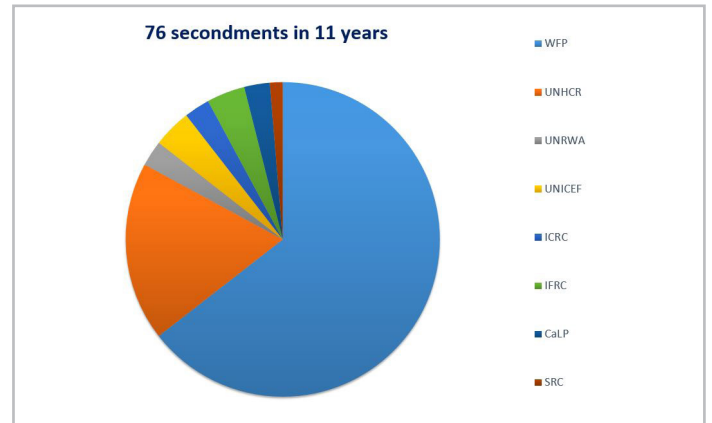
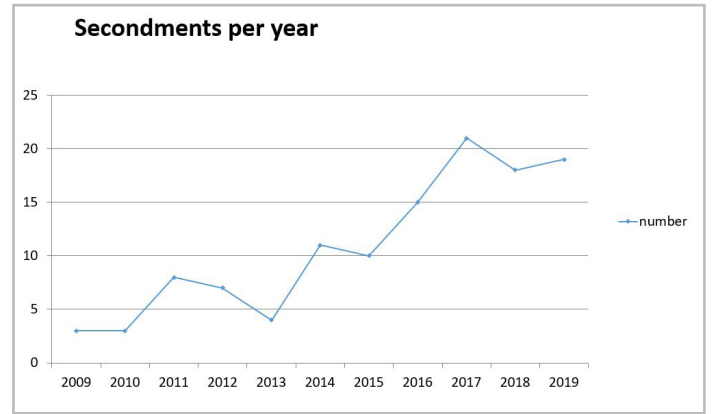


As of 2009, SDC/HA started to share its expertise with others by supporting partner organisations through **secondments of cash experts**. SDC/HA currently has a **pool of 107 cash experts** with solid experience and who are ready for deployment. Persons with CVA skills are still a very demanded resource, hence this pool is of unique value. SDC/HA continues to build the capacity of its pool.

Examples of current missions: a CVA expert is strengthening ICRC delegations' preparedness and capacity to use CVA worldwide; a CVA expert is working on the linkages between CVA and social protection for **WFP in Sri Lanka**; a CVA expert is supporting **UNHCR's** refugee response in Costa Rica; a member of the SHA is supporting **IFRC** at regional and country level, and strengthening National Societies to deliver predictable, quality and scalable humanitarian CVA responses.



SDC/HA plays an active role in **global discussions on CVA ensuring that the capacities of partner organisations** in the area of CVA is built and that CVA becomes a systematically considered response option. It has been actively involved in the Grand Bargain cash workstream since its launch in 2016 and has been a supporter of the Cash Learning Partnership (CaLP), a global partnership of actors engaged in policy, practice and research within CVA. In 2019, Switzerland and a group of likeminded donors (EU, Germany, Norway, Sweden, UK and US) lay out a vision for the use of cash in humanitarian action, defined general guiding principles to guide programming for evidence-building, capacity-building and advocacy on CVA, and adopted the 'Joint Donor Statement on Humanitarian Cash Transfers' and the 'Common Donor Approach for humanitarian cash programming'.



A look back - Cash in a holistic direct project of SDC

Context: In 2009 SDC started a reconstruction project in northern Sri Lanka, in the post-civil conflict period when returnees were resettling in their villages. The conflict had caused great damage to private houses and community infrastructure, so **SDC adopted a holistic village approach based on three components:**

Cash for owner-driven house rehabilitation: Beneficiaries received cash instalments tied to the reconstruction progress on their house. The process created ownership and sustainability. SDC provided technical assistance.

Cash for livelihood support: Beneficiaries received cash to kick-start an income generating activity (i.e. masonry, fishing, small businesses).

Cash for work, for the rehabilitation of community infrastructure: Cash was provided for work on irrigation systems, clearing roads, community wells, schools and centers.

Recipients also benefited from financial counseling. They were getting their cash transfers through a local bank branch close to their villages.

More than 7,500 households received this support from (2009-2015).

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