

SDC FACTSHEET CASH TRANSFER PROGRAMMING

March 2017

FACTS AND FIGURES

Definition

Cash Transfers Programming, CTP (also referred to as cash-based transfers or interventions) refers to assistance provided to affected populations through cash or/and voucher transfers in order for them to meet their varied needs on the local market (food, non-food items, rent, access to education and health, water, or else).

These transfer modalities can be provided separately or in combination (with in-kind as well) 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

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

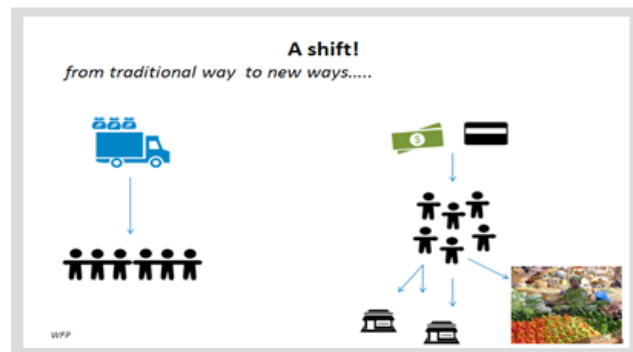
First and foremost, cash-based transfers make the beneficiaries prime responsible for their recovery, with the flexibility to make the best choices according to their needs, without having to resort to negative coping mechanisms like selling assets or worse. It stimulates the local economy with a multiplier 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.

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

SDC in CTP background

While it is only in the last 10 years that the use of cash-based transfers has significantly increased in the humanitarian response, SDC was a pioneer by using it already back 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.

CTP came to the spotlight in 2004 with many pilots in response to the Tsunami, however in early 2017 it is still estimated that only 7% of humanitarian assistance was provided under the form of cash or vouchers. The Secretary General stressed at the World Humanitarian Summit that where feasible **"Cash should be the preferred and default modality"**.



Scope of engagement

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



As a donor, SDC has been **financing partners using cash transfer programmes**. Non or light earmarking conducted by Switzerland with its multilateral and bilateral contributions makes it difficult to estimate how much exactly goes to cash and vouchers but this approach as a donor is extremely favourable to their use as it really leaves the flexibility to partner organizations to choose the best, or a combination of the best, transfer modality(ies). For instance when markets have not yet recovered after a sudden shock, a partner might decide to start with in-kind distributions and a few weeks later switch to cash 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. The latest project, initiated in October 2016, provides cash transfers for 2'000 households which have lost everything due to hurricane Matthew in Haiti, to support the rehabilitation of their livelihoods.





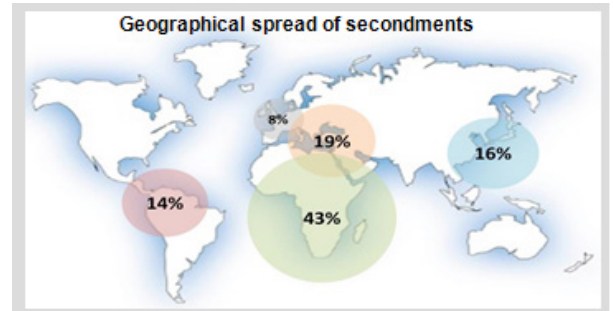
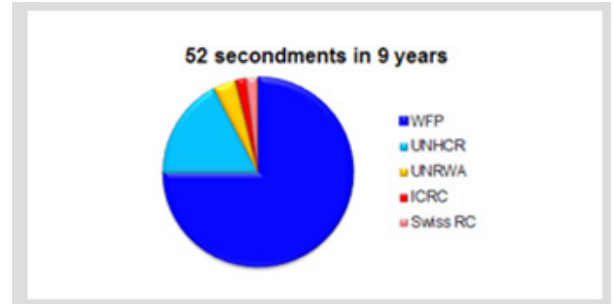
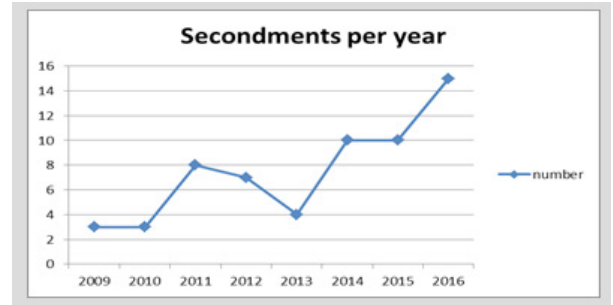
As of 2009, SDC/HA started to share its expertise with others by supporting multilateral partners through **secondments of cash experts**. SDC/HA currently has a **pool of 139 cash experts** with solid experience and who are ready for deployment. Persons with CTP skills are still a very demanded resource, hence this pool is of unique value. SDC/HA continues to build the capacity of its pool.

Examples of current missions: a cash and market expert is strengthening **ICRC delegations'** preparedness and capacity to use cash-based transfers worldwide; another is working on the innovative CTP and social protection linkages for **WFP in the Asia Pacific region**; another pilots multi-purpose cash for women victims of sexual gender-based violence for **WFP Colombia**; another provides electronic vouchers to returnees from Dadaab for **WFP Somalia**.



SDC/HA **maintains sustained and solid dialogue with its main partners on CTP**, ensuring that their capacity is being built, and has an active role in global discussions, for CTP to become a systematically considered response option. Since July 2016, it is also the only donor to sit on the Cash Learning Partnership (CaLP) Board, CaLP being the reference for evidence-building, capacity-building and advocacy on CTP.

WHS
Grand Bargain
CaLP-led discussions
High Level panel on cash transfers



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 and using cash:**

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 against work on irrigation systems, clearing roads, community wells, schools and centers.

All beneficiaries receiving a transfer could also benefit from financial counseling.

They were getting their cash transfers through a local bank branch close to their village.

More than 7,500 households benefitted of this SDC support over 6 years (2009-2015).



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