

# Cash Transfer Programming

## Newsletter # 5

April 2016



Schweizerische Eidgenossenschaft  
Confédération suisse  
Confederazione Svizzera  
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Federal Department of Foreign Affairs FDFA  
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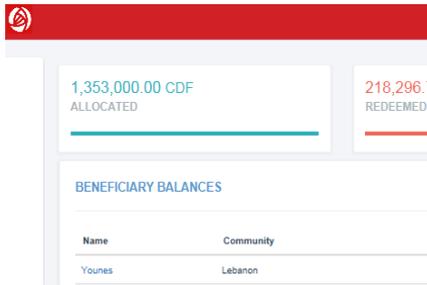
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Cash distribution in Madagascar. Photo: WFP/Giuseppe Rullanti. Giuseppe was seconded as a Cash Expert by SDC/HA to the WFP Madagascar office for 2 years where he scaled-up the use of Cash and initiated the use of e-vouchers.

## 1. Private sector is meeting the humanitarian needs for transfer solutions?



**“The humanitarian community must harness the power of business to deliver its key skills and capabilities”** (Report on the Humanitarian Financing, January 2016, for the World Humanitarian Summit - WHS). In the current global context where the use of Cash Transfer Programming (CTP) is being scaled-up importantly, innovations and partnerships with the Private Sector can provide new solutions, facilitate processes and delivery, and help reduce inefficiencies in the use of these transfer modalities. In this context, humanitarian organizations have been racing to come up with reliable and large scale transfer solutions that can be very quickly implemented. And the Private Sector is increasingly responding to this demand with solution tailored to the specific needs of Humanitarian responses.

During the first trimester of 2016, SDC/HA has held meetings with various service providers (Swiss & International: financial, mobile & comprehensive solutions). RedRose was one of them.

**RedRose** is an online/offline platform based on 4 components: beneficiary registration, multiple transfer options and management of the transfers, vendor/collection point interface and M&E. It offers a wide range of delivery mechanisms (paper and electronic vouchers, cash options include mobile transfers, informal Hawala systems, direct bank integration and pre-paid cards with Mastercard) tailored to the needs of organizations and contexts.

Their solutions have been used so far in various African countries, in Nepal, in Europe in response to the refugee crisis and they are being explored in Syria, by both NGOs and UN agencies. It can be a timely solution, with an estimated one day to establish an e-vouchers or mobile transfers, and 2 to 4 weeks for pre-paid Mastercards for their activation of banking agreement. It also offers the flexibility of multiple wallets for organizations to work together.

### Navigate yourself through the RedRose demo link:

Address:

<https://redrose.redrosecps.com>

Username: **sdc**

Password: **demo**

### More information on the following websites:

<https://www.redrosecps.com/>

SDC/HA also met with Segovia which offers similar services:

<http://www.thesegovia.com/>

And to stay up to date on this area of work, subscribe to the ELAN monthly newsletter:

<http://www.cashlearning.org/elan-material>

### 2. Key global statements on CTP, early 2016.

*“Cash-based programming has been identified by an Inter-Agency Standing Committee (IASC) study as a potentially significantly untapped resource to improve cost-efficiency and effectiveness. The panel agrees that the real potential for substantial cost-efficiency gains may lie in a radical shift towards harmonised, large-scale, cash-based responses”.*

High-Panel on Humanitarian Financing, Report to the SG, “Too important to fail – addressing the humanitarian financial gap”, January 2016. [Report available here.](#)

*“As one important example, cash-based programming supports the agency of people by allowing them to purchase the goods and services they need most while also supporting local economies. Where markets and operational contexts permit, **cash-based programming should be the preferred and default method of support.** Measures to enhance national social protection systems that ensure equitable access to social services, as well as safety nets that are not vulnerable to market shocks, should also be promoted.”*

Report of the Secretary-General for the WHS, February 2016, [Report available here.](#)

The above documents led to the creation of a Grand Bargain sub-working group on Cash to inform the discussions of the WHS .

### 3. CaLP membership and learning event:

The Cash Learning Partnership (CaLP), <http://www.cashlearning.org/>, organized a two-day event in Washington DC (12 and 13 April 2016) to celebrate its expanded membership and its 10 years anniversary, and to look at accomplishments and the way forward. SDC/HA has always been of strong support to CaLP. Participation to the event included all members (among which NGOs, UN agencies, donors and the private sector) as well as some key external participants.

The membership grew from 5 to 40 members, of which 20 form the new Technical Advisory Group (TAG), including SDC/HA.



CaLP event, Washington DC, April 2016.

CaLP has increased its geographical span and team. A **presence of CaLP in Geneva** has been established in January 2016, under the form of an Advocacy Coordinator. And Geneva will be the stage for coordination between CaLP and OCHA. CaLP will soon open a representation in the Middle East, where the support to coordination is crucial.

CaLP, which is fostering a collective technical, strategic and operational force through its members, has a crucial relevance in ensuring cash-based transfers become as automatically managed as the long tradition of in-kind aid, until the interchangeability and the flexibility between options is mastered, and to ensure the remaining barriers to full-scaled CTP are taken down.

*“By acting as a catalyst for change in attitude and practice the CaLP will ensure that CTP is routinely considered as a scalable component of quality, timely and appropriate preparedness, emergency response and early recovery”* Goal of CaLP.

### 4. SDC/HA Position paper on CTP

SDC/HA, together with its country offices and Cash experts, has taken the opportunity to reflect on its own position towards Cash Transfer Programming.

Internal link [available here](#)

(and externally upon email request, [alice.golay@eda.admin.ch](mailto:alice.golay@eda.admin.ch)).

It can be of use to all SDC/HA staff, partner organizations, and anyone interested in knowing where SDC/HA stands with regards to CTP and Multi-purpose cash transfers.

### 5. Map of CTP missions at the end of the 1st trimester of 2016.

During this first part of 2016, there has been a further increase in secondments, mostly with WFP and with a notable first CTP full-time secondment to ICRC. There are currently no direct actions using cash-based transfers. The last one, involving cash for owner-driven reconstruction and for livelihoods in Sri Lanka, saw its last Cash Experts end their missions in February/March this year.

#### CTP missions

as of end of April 2016,  
all ongoing/confirmed.



### 6. Voices from the field: first impressions on a cash secondment inside Syria.

Interview with our first cash secondee inside Syria: Stefan Bumbacher is based in Damascus since end of January 2016, working as the Programme Officer for Cash-Based Transfers at WFP Syria.

#### What have been your very first impressions of life in Syria?

When I first arrived in Damascus, I was surprised by how normal everything looked: the streets and markets are busy during day and night, most of the shops are opened, as well as lively cafés and fully-booked restaurants which serve everything from Syrian food, to sushi and Swiss cheese fondue. The old town of Damascus is bustling and the beautiful Umayyad mosque, one of the largest and oldest in the world, has also not been affected by the conflict.

This of course, is only one side of the story. In Damascus we can still hear occasional mortars, explosions and artillery. In closeby neighbourhoods, people are living under siege, lacking the most basic goods and food items. In Darayya for example, which is only 3 kilometers from where I live and work, people are living in dire humanitarian conditions with severe restricted access to food. The price for rice is thirty times higher than in Damascus, and some residents have been reduced to eating grass and wild vegetation as food supplies are cut off.



Stefan (second man from the right) is talking with IDPs who live in a refurbished school in Al-Hasakeh governorate.

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### Can you tell us a bit on how your work conditions are like?

WFP Country Office is located at the Four Seasons Hotel in Damascus. Jakob Kern, WFP Country Director and ex-SDC-seconded, and 138 staff share two ball rooms without windows. It is busy and noisy, and if you happen to have one of the seats in the middle of the room, people constantly bump into your chair or accidentally unplug your screen. Coming back from a field mission or R&R you might find your table occupied and your equipment passed on. It is definitely not my favorite working environment; especially with the lack of daylight. But luckily we will move to a new office soon.



WFP Office in Damascus, in a hotel ball room.  
WFP/Stefan Bumbacher.

All of this is compensated for by the working atmosphere. The Syrian colleagues are very friendly and hospitable. They go out of their way to make you feel comfortable. And if you come back after a one week field mission, they welcome you like a long lost friend.

### You have conducted a review of WFP's use of cash-based transfers inside Syria, what type of transfers have been used so far?

Currently WFP is doing an unconditional value voucher project: approximately 8,000 pregnant and lactating women in Homs and Latakia receive a voucher for fresh food (fruits, vegetable, chicken, meat, dairy products) which they can redeem in contracted shops. These women are displaced or from vulnerable households and all of them are already recipients of the general food ration which includes cereals, lentils, beans, oil, salt and sugar. The fresh food voucher complements their diet during pregnancy and the six subsequent months.

### What are the specific challenges linked to the use of CTP in such a context?

All programming in Syria has to cope with active conflict, closed roads and restricted access. Every field mission needs to be approved by the Ministry of Foreign Affairs, a process which takes at least five working days and whose outcome is uncertain.

A challenge specifically linked to cash-based transfers is the continuous depreciation of the Syrian Pound, which affects the commodity supply chain and disrupts trade, leading in 12 months to a nominal price increase of wheat flour (+56%), rice (+93%), subsidized bread (+95%) and shop bread (+45%).

Furthermore, the banking system is disrupted and mobile network coverage is limited, which makes it difficult to rely on a network of financial service providers or to implement more innovative transfer modalities such as mobile-phone money transfer.

### What are the best successes/benefits with this approach so far in Syria?

For this project I see the same advantages as for any other project based on the market: Firstly, although the use of the voucher is restricted to specific food groups, within these, the women still get to choose what they want to buy. The pregnant and lactating women who benefit from this project have told us they even prefer vouchers to cash. They say this way they know they will spend it on food and not go shopping with it. Secondly, the voucher project is supporting the local economy, especially when the beneficiaries choose to buy locally produced commodities.



A shop in the damaged old town of Homs.  
WFP/Stefan Bumbacher.

### Do markets function relatively well?

This depends very much on the region and the current security situation. While in some areas there is sufficient availability of commodities, in

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others there is literally no food available. While in some governorates, markets might be functional for a couple of months or years, a sudden deterioration of the security situation might change everything.

### Specific example of markets in Al-Hasakeh:

Al-Hasakeh governorate is locked between ISIS territory, Iraq and Turkey. Nusaybin border crossing with Turkey was used by WFP for cross-border convoys. Since October 2015 this border crossing has been closed by the Turkish government, leaving approximately 240,000 planned beneficiaries without food support. At the beginning of April, I went for 10 days to Al-Hasakeh governorate to do a market assessment for CTP. Al-Hasakeh governorate is considered the breadbasket of Syria and was producing around 34 percent of Syria's wheat prior to the crisis. The factories we visited had to reduce their production by 30 to 60 percent, because the crisis has cut them off from international markets. We assume that the market could cope with an increased demand and that the use of cash-based transfer would have a positive impact on the local food production and supply chain. On 20 April, however, the security situation in Al-Hasakeh governorate deteriorated after heavy clashes between Government Forces and the Kurdish Asayish local militias, forcing WFP staff to work from home, leaving the airport out of reach and consequently jeopardizing our project. We can only hope that this deterioration is temporary.

### Government acceptance of the transfer modality is usually a pre-condition to its use. Is the Government favorable to the use of cash-based transfer programming?

WFP Country Office in Syria is currently only planning to do cash-based transfer programming in government-held areas. Overall, the Government of Syria is not in favor of cash projects. Currently, only UN agencies with non-Syrian beneficiaries are able to implement cash projects: UNRWA for Palestinian refugees and UNHCR for Iraqi refugees.

With regards to the use of vouchers, the government is neither against, nor in favor of it. I think, they decide on a case-by-case basis. For the fresh food voucher project mentioned above, they were hesitant at first. But once they saw that the

pilot was working well, they started to support it and now local authorities are asking us to expand the project.

### What are the perspectives for a scaled-up use of cash-based transfers? And longer-term plans in this protracted situation?

WFP goal is to scale-up the fresh food voucher project from 8,000 to 20,000 pregnant and lactating women by the end of the year. And if the situation in Al-Hasakeh governorate improves, in July, we might be able to start cash-based transfer to support approximately 12,000 beneficiaries by the end of the year.

Furthermore, starting this year, WFP wants to introduce cash-based transfers in its livelihood and school feeding projects. By the end of 2017, at least 10 percent of the school feeding should be provided through vouchers, and around 50 percent of all livelihood projects should have a cash-based transfer component.

### This secondment has been your first deployment specifically as a Cash Expert. What is your take on having been catapulted in such a complex context? How have you handled it?

In the first six weeks of my deployment, I was conducting together with Karl-Friedrich Glombitza (another Swiss Cash Expert) a review of the fresh food voucher project. This was a stroke of luck for two reasons: firstly, for the first six weeks I could completely focus on studying the projects, the context, and the challenges and could meet with all stakeholders and with the staff of WFP's sub-offices. Secondly, during these first six weeks I was lucky to work very closely with Karl-Friedrich, reviewing the current projects together, discussing every aspect of cash-based transfer programming, and learning and profiting from his huge experience.

This gave me a head-start, and once I was confronted with the daily business, managing the current projects and planning new ones from scratch, I was already well acquainted with the whole operation and could start to work immediately.

*We will provide an update on Stefan at a later stage of his mission as this is only the very beginning of his Syria secondment.*

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*WFP/Syria, a family living in difficult conditions.  
And a mother purchasing food with her voucher.*



### 7. Useful recent publications from CaLP and other sources:

Operational guidance and toolkit for multipurpose cash grants

[Read here](#)

Working with cash based safety nets in humanitarian contexts

[Read here](#)

New online course: [Urban cash transfer programming and livelihoods](#)

CTP Organisational Capacity Assessment Tool

[Read here](#)

Global shelter cluster & Cash

[Read here](#)

### SDC-HA Cash Team contacts

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