

OPERATIONAL CONCEPT NOTE for CTP 2017-2020



Market-based approaches in challenging settings: a functioning shop in the very damaged old town of Homs, Syria, March 2016. WFP/Stefan Bumbacher.

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1. Introduction

This concept aims to cover Swiss Agency for Development and Cooperation – Humanitarian Aid Department (SDC/HA) overall approach and priorities towards Cash Transfer Programming (CTP) in the coming years, for the period 2017-2020. The cash concepts are the framework for operational and global engagement on CTP of all SDC/HA divisions and offices. The concepts also seek linkages with other SDC domains. This concept is the natural evolution of the previous 2015-16 concept, and takes it a step further with a focus on priority areas for the SDC/HA. This has been made possible by the ground work undertaken in the prior concepts in supporting quality CTP within SDC/HA and partners' interventions.

a. Definition

In the context of humanitarian assistance, the term Cash Transfers Programming - CTP refers to all programmes where cash (or vouchers for goods or services) is directly provided to beneficiaries, whether individuals, household or community recipients; not to governments or other state actors¹. This excludes remittances and microfinance in humanitarian interventions, but microfinance and money transfer institutions may be used for the actual delivery of cash.

Cash is a transfer modality. It represents an additional tool to broaden the humanitarian actors' toolbox and ensure the most adequate response is provided to affected populations. As it is not a programme, nor an activity/theme/objective in itself, it is integrated and articulated for use within these in all phases of responses (emergency to development) and different contexts. The use of cash carries evident advantages, the prime one being the flexibility for affected populations to use it as per their own defined priorities. And as specific risks linked to cash transfers can also exist, it is important to consider them from the outset of the programme design and assess whether they can be mitigated. *Advantages and risks are further detailed in Annex 3.*

Successful use of cash-based transfers is fully dependent on good programming. It is a solid opportunity to help bring the beneficiary and the local context further at the center of humanitarian response.

b. Switzerland and CTP

Switzerland is a pioneer in CTP with Humanitarian Aid using cash transfers since 1998 and making expertise available to all. SDC/HA experience is highly recognized internationally. SDC/HA evolved from being a CTP pioneer and operational actor to being a strategic donor and stand-by partner for strengthened use of CTP within the humanitarian community. It has provided flexible core funding for its main partners (WFP, UNHCR, ICRC, UNICEF) to select the most adequate transfer modalities. Moreover, Switzerland has an important pool of experts, and has seconded its cash experts on 49 missions since 2008 (from short to multiple year periods) to these same key partners. Cash secondments are more requested than ever, both at technical and strategic levels, showing a Swiss reputation that is well established.

Cash transfers are also increasingly being looked at in a wider framework. As a prime instrument of Social Protection, CTP represents an opportunity to work closer with the Development domain. Within SDC, each arm of the agency are leveraging their knowledge and expertise, which can translate into opportunities for joint operational activities or support to key initiatives.

c. Importance of the topic

Positive environment for cash transfers: The world is evolving in a way that is favorable to cash transfers. People are increasingly connected around the globe and new technology and innovative solutions have allowed for an array of digital delivery mechanisms to be available, up to some of the most remote areas. The provision of cash relies quite heavily on the private sector which is increasingly engaged with humanitarian actors. The aim is to find together appropriate solutions for timelier and large scale transfers, where appropriate for a more effective assistance. This echoes the policy tools on Accountability to Affected Populations (AAP) and the Core Humanitarian Standard (CHS) which improves humanitarian actors' ability to put people in the center. Cash being a perfect vehicle for that by inherently giving more choice to persons, in what they purchase but it can also be through participation in the process of decision over the most appropriate transfer modality(ies), and allowing them to cover priorities in their local context.

SDC/HA position is to focus on qualitative programming, with clear objectives, and a strong understanding that context specificities require different responses and tools. It strives to promote

¹ Official definition by the CaLP. Cash Transfer Programming (CTP) can be used interchangeably with Cash-Based transfers (CBT) used by WFP and Cash-Based Interventions (CBI) used by UNHCR. *More definitions can be found in Annex 4.*

the use of cash transfers as best as possible, with a constant lens on “value for the beneficiary”, and a strong understanding of opportunities and limitations².

2. Existing institutional anchorage and status of CTP in SDC

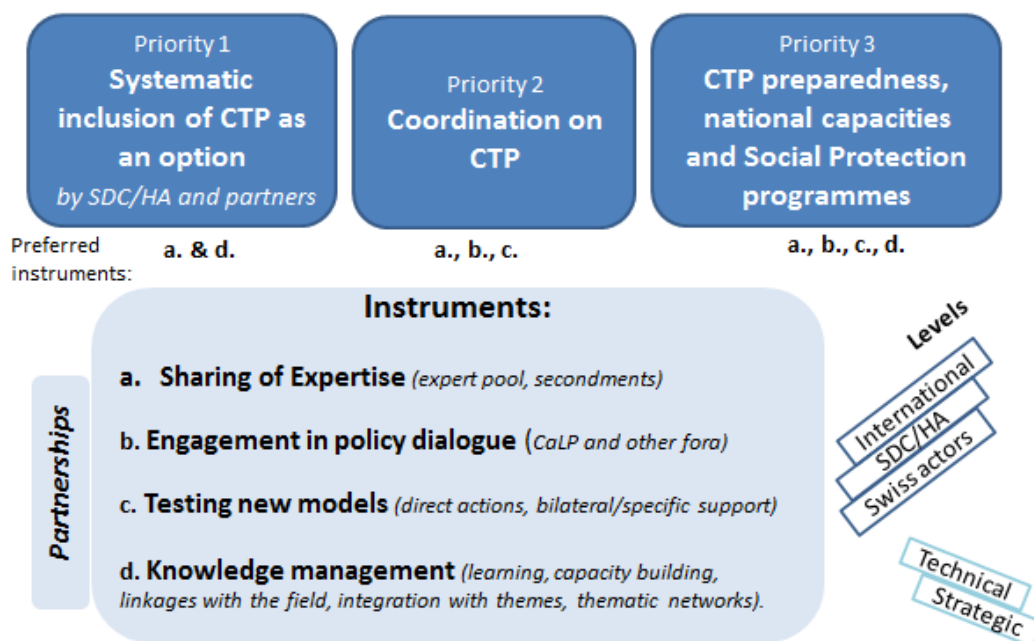
The Bill for 2017-2020 specifically mentions CTP as a mean to get closer to affected populations, and their local context, and give beneficiaries a central role in deciding how best to use the cash transfers they receive. CTP is well integrated institutionally in SDC/HA, and benefits of a position paper³. The position paper is a working document which serves to define the position of Switzerland/SDC/HA vis-a-vis CTP in general, new developments, and lay ground for consistent communication with operational partners and the donor community at all levels. SDC/HA has also materialized its commitment to support the mainstreaming of CTP within the institution and its support to key partners by ensuring a fixed institutional set-up with CTP resources and the formalization of the cash expert pool.

To ensure synergies, this new concept has been developed in parallel, and in consultation, with the four SDC/HA priority themes: Protection, DRR, SGBV and WASH. At the same time the concept has been aligned on the same implementation period, 2017-2020. The period is also in line with the *Cash Learning Partnership* (CaLP, <http://www.cashlearning.org/>, key SDC/HA CTP partner involved in policy, research, capacity-building and advocacy around CTP) Cash 2020 vision, the current CaLP strategy (2015-2019) and Switzerland’s CaLP Board membership (2016-2019).

3. Strategic outlook and priorities

SDC/HA focuses on **three priority areas: 1) supporting systematic consideration of CTP; 2) supporting the coordination of CTP; and 3) supporting CTP preparedness, national capacities and Social Protection programmes**. These priorities reflect a continuous analysis of the CTP team on the evolving environment around the increasing use and acceptance of CTP and on the steps that still remain crucial to its complete systematization in humanitarian action, with feedback both from the field and work done at the global policy level in the frame of the World Humanitarian Summit and the Grand Bargain process.

Approach under the new concept



² “The appropriateness of transfers cannot be predetermined—there are no “first-best” options from the outset; rather, the best modalities are context-specific and emerge from response analysis”, Gentilini, *The Other side of the coin*.

³ <https://www.shareweb.ch/site/Cash-Transfer-Programming/sdc-and-cash/strategy>

PRIORITY 1: Systematic inclusion of CTP by Switzerland and its main partners

Switzerland commits to increase the use of cash as a powerful programming modality, which is to be included systematically as an option alongside other tools e.g. vouchers, in-kind, direct service, and approaches e.g. multi-purpose, accordingly with affected population's needs and preference.

(Leverage existing strengths) **SDC/HA will continue to support its main partners' corporate strategies for the mainstreaming and capacity building in CTP.** This will be done accordingly with the different levels of progress made by partners⁴. SDC/HA will support Swiss NGOs and the other SDC domains where relevant.

(Increasing engagement to fill voids) **SDC/HA will increase its support to partners in specific intervention areas that remain a gap in CTP systematization** e.g. measuring the cost efficiency and effectiveness of interventions using cash transfers, of new approaches like multi-purpose cash, or support joint assessments and Monitoring and Evaluation for multi-purpose cash, global CTP standards, and others.

This will require field engagement to support partners in CTP and advocate for response analysis to always be conducted, complemented by enabling actions taken at HQ/Global level.

Box.1 Illustration of Switzerland's possible true impact across these areas of focus and within the limit of its available resources:

Secondments @WFP: a success story over the years

Swiss expertise has become increasingly strategic for partners over the years. When looking at WFP which has already a third of its global transfer portfolio that is cash-based, with nearly 10 million beneficiaries in 2015, it can be affirmed that the Swiss cash secondees's expertise contributed to the achievement.

As early as **2009**, Swiss secondees were helping WFP pilot projects with cash-based transfers around the world, supporting the agency's initial shift to using these transfer modalities. In **2010**, SDC/HA kick-started the creation of Regional advisor positions for technical support to country offices and, by 2014, the posts had been fully institutionalized and filled internally by WFP. In **2014**, Swiss secondees helped integrate cash within the corporate Emergency Preparedness and Response guidance and tools.

From **2014 to early 2016**, as part of the largest initiative from WFP to fully mainstream CTP in their processes, Swiss secondments were instrumental in designing the training on cash transfers of WFP staff, reaching nearly 2,300 staff and around 100 external participants globally, and its roll-out. More recently, other secondees have had key role in building up capacity in specific country offices, looking at innovative solutions in the most difficult contexts, piloting multi-purpose cash for WFP, strengthening weak markets, testing joint assessments for cash feasibility and analysis with other agencies for generic guidance, formalizing external working groups on cash with the Governments and development actors, to list only a part of the activities.

Currently, in 2016, as part of new strategic support, a Swiss cash expert is defining WFP's engagement in Social Protection, working to make national Social Protection systems shock-responsive for the channeling of cash in emergencies, by either relying on existing ones, or building blocks for their development.

And together, this has helped WFP become the largest implementer of cash-based transfers in both emergencies and protracted crises, worldwide, and always stay on the forefront of innovation and exploration.

⁴ With those starting the shift towards an important scaled-up use of cash (ICRC, UNRWA), those who are at the stage of mainstreaming CTP in their processes (UNHCR, UNICEF), those who are at a finalization stage and exploring further (WFP), and those who need their capacity reinforced in CTP to be able to perform adequately and strategically in the current humanitarian environment (OCHA).

PRIORITY 2: Coordination on CTP

Switzerland commits to support coordination models/solutions for the delivery of cash-based transfers within the existing humanitarian architecture and to promote greater national leadership wherever possible, based on context specificities, best practices and lessons learned from the country and regional levels.

Too much at stake: CTP creates important conflicts of interest as its mainstreaming and coordination require adjustments in the current humanitarian architecture. With the increase of common delivery mechanisms for multi-sectoral cash or the implementation of multi-purpose cash transfers⁵, increasing efficiency and best addressing needs of beneficiaries⁶, the number of actors involved will be reduced and hence it challenges the existing order. As a result, various actors are striving to prove their added value and their role in CTP. This “battle” is reflected in the current discussions on CTP coordination and is one of the largest bottlenecks around cash at scale. Hence it should be tackled during this new period.

(Leverage existing strengths) **Coordination, and decreased duplication, around the key phases of the programme cycle⁷:** SDC/HA will continue to support the building of experience from the field by the largest implementers of CTP⁸ and advocate for less duplication of initiatives with the same goal at the global level.

(Increasing engagement to fill voids) **Engagement with other donors on CTP:** Holding the only donor seat at the CaLP Board is an opportunity to engage with other donors on CTP (both traditional and less traditional). SDC/HA will use its reputation of more neutral donor to facilitate a good flow of communication between policy and technical CTP focal points, for identification of opportunities and bottlenecks. SDC/HA will support the identification and establishment of a predictable approach for cash coordination within the humanitarian system. **SDC/HA will continue to base its position on coordination on evidence from the field the feedback from the actors who implement CTP.**

PRIORITY 3: Social Protection Programmes & reinforcement of local capacities

Switzerland commits to investing in its own preparedness and supporting preparedness efforts of its main partners to use cash in emergency, alongside national capacity, existing systems and social protection programmes, ensuring these can be shock-responsive, and supporting emerging ones.

A humanitarian action involving cash transfers has to be as local as possible. This is done by building on systems that may already exist: social protection programmes, community capacity, partnerships with the private sector and latest technological solutions available, and others. **SDC/HA believes that using and/or reinforcing existing systems through a response with CTP should be a benchmark when a project is formulated.**

(Increasing engagement to fill voids) In 2016 the SDC/HA CTP and SDC Poverty Reduction and Social Development, has been instrumental in **work towards joint positioning on Social Protection** of both the development and the humanitarian aid arms. The role of humanitarians in Social Protection has become clear only recently⁹, and as cash transfers are one of the main instruments in Social

⁵ Where a household or individual receives a cash transfer to cover a whole set of basic and/or recovery needs based on a minimum expenditure (instead of an amount for food, one for shelter, one for NFIs, etc.).

⁶ E.g. not receiving five different types of cash-based transfers with different regularities through different delivery mechanisms, when this can be avoided.

⁷ This goes from preparedness (with mapping of vulnerabilities, knowledge of existing social protection programmes, of service providers, partnerships, capacity building locally prior to a crisis), to the assessment phase (with identification of needs, market and service assessment, etc.) to using common delivery mechanisms or working jointly on the delivery of multi-purpose cash transfers.

⁸ As an example, in 2016, a secondment of Swiss cash experts to WFP Myanmar is supporting the joint OCHA, UNHCR, UNICEF, WFP initiative on CTP Feasibility Assessment/Response analysis, with the development of generic common guidance.

⁹ While social protection is the responsibility of national governments and many countries have well-established social protection programmes providing cash to the poorest tranches of their population, there is scope for humanitarian actors to play a role in 1) strengthening existing, and 2) supporting the creation of new, social protection systems where they do not

Protection, SDC/HA is increasing its engagement. SDC/HA provides key cash expertise to partners like WFP strategic cash secondments dedicated to social protection. SDC/HA is also newly engaging in the CaLP Technical Advisory Group (TAG), and its sub-group on Social Protection which includes members from NGOs and the UN. **There is huge potential to make the link with various areas of work which have not been explored yet** e.g. climate change, DRR and Social protection programmes which could work better if applied together as recommended by various cash experts.

4. Operational modalities and intervention guidelines

The concept will be rolled-out, to the field and at global levels, through the use of the following instruments: a) Swiss cash experts; b) Engagement in policy dialogue; c) Testing of new models; d) Sharing of knowledge. All of these will help reach each of the SDC/HA priorities in CTP, with partnerships as a key element that is present within each instrument.

The field, and offices, will be made aware of the concept, and their engagement will be key to the success of this concept, which depends greatly from field-born/field-supported initiatives. Resources from SDC/HA HQ will be fully available to support Bucos if needed.

Instruments to be used for the implementation of the Concept:

Instrument a. Cash experts:
The cash experts with their immediate ability and skills to be deployed for all type of support represent the best value for impact on the CTP priority areas ¹⁰ .
Cash missions/secondments to be provided at different levels:
<ul style="list-style-type: none"> • Both strategic and technical: Internal SDC/HA capacity increasingly built for the former category. • More diversified: with more and new partners. • More interlinked/reinforcing each other: secondments that can feed each other¹¹.
SDC/HA will continue to build its pool of experts:
<ul style="list-style-type: none"> • Continued delivery of trainings: Basic CTP trainings (1 per year), with solid possibilities for further development¹², and Advanced Training (1 per year). • Strengthened availability of mixed profiles (cash and: protection¹³, coordination, market expertise, livelihoods, shelter, wash, etc) especially with the priority themes; • Culture of communication: between experts and with HQ: sharing best practices, reinforcing technical capacity of the SDC/HA cash pool and the sense of belonging (secondments on the rise). • Increased flexibility: e.g. allowing secondees to be moved by their agency according to emergencies (e.g. L3 prioritization).
Instrument b. Engagement on policy dialogue and advocacy:
SDC/HA will continue to participate in consultations on important CTP processes and to be part of key policy and technical working groups where fit, in particular when linked to SDC/HA priority themes. SDC/HA will also facilitate events on CTP, with particular attention for Geneva-based initiatives and partners.
Be a major actor in key global discussion around cash at scale and the 2020 common vision:
<ul style="list-style-type: none"> • Based on the already solid existing guidance from the High Level Panel on Humanitarian Cash transfers, the IASC cash working group, the CaLP's agenda for cash, the Grand Bargain and WHS

exist or are underdeveloped. All this while ensuring that new or strengthened structures can be shock-responsive to reduce the need for recurrent humanitarian assistance and facilitate an effective response in times of crisis.

¹⁰ SDC/HA has the strongest pool of cash experts globally. NRC is establishing the CashCap but is still only at the early phase of mentoring for roster's capacity build up (21 CashCap experts against SDC/HA's 46 Seniors and 83 candidates for 1st missions).

¹¹ Current WFP secondment in Myanmar pilots the approach designed by the secondees at WFP Regional Bureau Asia. Or mission of a cash expert for the South Cooperation in Nepal in 2016 to support the Government's reconstruction plan which was linked to the work other Swiss cash experts were doing on the humanitarian front.

¹² Opportunities for CTP missions and gradual transition to a Senior status.

¹³ UNHCR HQ for instance has notified in 2016 of interest to have protection officers with strong cash knowledge or vice-versa.

<p>commitments, other key publications, and the upcoming GPPi research findings on coordination and risks.</p> <ul style="list-style-type: none"> • This includes active support to the Geneva-based Cash Working Group.
<p>Support to CaLP as core strategic partnership which helps support all the niche areas:</p> <ul style="list-style-type: none"> • Holding the only donor seat on the CaLP Board (2016-2019). • Support CaLP financially with yearly flexible core contributions. • Participation in the Technical Advisory Group and overall membership. • Possible other collaboration opportunities will be continuously explored.
<p>Government to Government:</p> <ul style="list-style-type: none"> • SDC/HA will engage in advocacy for CTP to external actors like other donors as well as with host Governments, not necessarily like-minded, to facilitate exchanges around perceived and concrete risks linked to CTP¹⁴.
<p>Instrument c. Testing of new models:</p>
<p><i>Switzerland commits to support the testing of new and bold models to go to scale, and identify best practices and risks in each context, from sudden-onsets to protracted crisis.</i> This commitment is also in line with SDC/HA's long tradition of direct actions with cash (almost 20 years).</p>
<p>Implementation of direct actions or/and joint projects with innovative components or funding/support for innovative pilots¹⁵:</p> <p>Direct actions:</p> <ul style="list-style-type: none"> • Try to have at least one new, or ongoing, direct action/year, for divisions to think more concretely about CTP and how it could be implemented. • Taking on ideas that have not yet received extensive support and where a direct intervention at small scale could be replicated by others in the long-run¹⁶. • Sustained inclusion of CTP experts in SET/Rapid Response missions. • Support specific CTP activities which can produce learning for the humanitarian community. • Explore partnerships for this kind of action research approach (e.g. NGOs, consortia of actors, the private sector, local actors, as well as, internally, with the SDC development arm).
<p>Instrument d. Increased information exchanges & knowledge management:</p>
<p>The understanding and capacity in CTP within the SDC/HA HQ is already high, due to solid mainstreaming over the past years/decades. The new concept would prioritize remaining gaps.</p> <ul style="list-style-type: none"> • Internal mainstreaming of CTP: continued sensitization and trainings, including for Swiss NGOs. • Strengthened shift of knowledge sharing towards the field is necessary (e.g. tailored trainings to offices as per needs, mixed profile missions in the field for identification of projects, regional workshops on CTP)¹⁷. • Strengthened integration with the SDC/HA priority themes (DRR, Protection, SGBV and WASH): regular exchange of ideas and identification of links as relevant, joint reaching of desks and offices, integration in each other's' trainings and briefing sessions, linkage between pools of experts whenever possible, participation in cash working groups linked to each themes¹⁸. <p style="text-align: center;">Cash and DRR: <i>Link between CTP and DRR is not new, and benefits of solid best practices, e.g. cash for asset work such as soil protection work, reforestation, protective walls on slopes, gullies, irrigation schemes or building back better activities.</i></p> <p style="text-align: center;">Cash and Protection: <i>CTP as a tool is being integrated in protection tools and guidance. An example is cash for caregivers.</i></p>

¹⁴ E.g. Lebanon is showing reluctance to see UNRWA shifting to more CTP in its assistance, or for instance Japan who has traditionally been reluctant to have its funds used for CTP probably based on simple lack of access and understanding of the evidence around the benefits of the transfer modality.

¹⁵ As an example, investments (end of 2016) could include: multi-purpose pilot ran by NGO consortia, supporting community grants in emergency, CaLP Social Protection working group pilot, the piloting by WFP Colombia of multi-purpose cash transfers for victims of GBV.

¹⁶ Example of projects could include i) linking beneficiaries from cash transfers to micro-finance opportunities in protracted crises, ii) the provision of community grants to self-help organizations in sudden onset disaster, based on what they have identified as needs, enabling an immediate response, and iii) others.

¹⁷ This requires regular contact with the offices in the field, in a more systematic manner, and with their understanding that they should tap into the full availability of the HQ cash team as a resource.

¹⁸ E.g. contribution to discussions and guidance in global Cash and Child Protection or Cash and GBV working groups.

Cash and SGBV: As for protection, evidence on opportunities and limitations is still being identified for SGBV. An example of successful use is cash for SGBV victims' reinsertion in life following a period of care.

Cash and WASH: CTP has often been used for sanitation and hygiene (e.g. vouchers for latrine maintenance, cash for hygiene products) more than for the provision of water as the latter entails more implications in being a public good.

- **Strengthened integration with the Development arm, global networks and programs within SDC:** Natural counterparts can be found in SDC and possibly in all the global themes and networks (ie. Poverty and Social Protection, Food security, Education, Micro-finance, etc).

5. Institutional set-up and resources

In SDC/HA, the cash team is composed of:

1. An Institutional CTP Focal point (20 percent);
2. A Programme Officer (PO) CTP from the SHA (100 percent);
3. The pool of CTP experts, within the pool "Coordination and Administration", with its Head and Deputy Head, and the support of an HR CTP focal point.

While the PO and the cash budgets are managed within the H-Multi division (the Head of division represents CTP at the department management level), the CTP Focal point is within the MENA division providing a direct link to operations. However, regardless of this arrangement, CTP as a cross-cutting modality is important for the multilateral, geographic divisions and the field. **The biggest risk to the limitation of this concept would come from CTP and the cash team working in an isolated manner.**

To implement this concept, the following annual budget is foreseen:

Budget lines:	Amount (in CHF):	Specific budget:
Contribution to the CaLP	400'000	<i>Budget of H-Multi</i>
CTP support activities (e.g. events, one-day trainings to partners, reviews, evaluations)	150'000	<i>Subvention credit</i>
Salaries	150'000	<i>Global budget</i>
Total	700'000	

It is also foreseen that between 10 to 15 full-time cash secondments will take place every year, and are to be covered under the Global budget.

6. Accountability (Monitoring & Reporting)

Overall responsibility lies with the Management, while supervision and organization of the work area is with the Multi division. An account on the advancement of the implementation will be done every year (during the last quarter) from here to the end of the concept period. *Annex 2 comes with detailed indicators.*

ANNEX 1 – KEY PERFORMANCE INDICATORS to support priorities:

Measure, per instrument ¹⁹	Indicator to measure implementation/Outputs	Baseline 2016
<p>Partners supported in CTP priority areas.</p> <p>Pool is strengthened and adapted to support priority areas.</p>	<ul style="list-style-type: none"> ➔ % of funding provided to partners which doesn't have an earmarking with regards to the transfer modality. ➔ Number of CTP secondments (differentiated between technical and strategic), positive end of mission evaluation & number of extension requests. ➔ Advancement of partners systematization of CTP (having a corporate CTP strategy, having investing large resources at country and regional level, provided training to staff). ➔ Basic trainings are held every year & number of 1st mission candidates who successfully transition to the Senior category. 	<p><i>No funding had specific transfer modality reporting required.</i></p> <p><i>12 secondments, incl. 2 strategic ones, 3 EOMs received were positive & 3 extension requests.</i></p> <p><i>WFP has all that, UNHCR & ICRC both well engaged.</i></p> <p><i>1 Basic training & 5 transitions in 2016.</i></p>
<p>SDC/HA is integrated in key consultations & working groups.</p> <p>SDC/HA takes an active enabler/facilitator role to advance the CTP agenda.</p>	<ul style="list-style-type: none"> ➔ Cash is systematically integrated in all SDC/HA discussions with institutional partners (field and global level). ➔ % of key global initiatives for which SDC/HA is consulted (compared to total number of key initiatives which consult donors and implementers). ➔ Number of global working group from priority themes & number of CTP-relevant SDC working groups that SDC/HA CTP is part of. ➔ A regular bridge towards other donors has been established (ie. regular contact with other donor CTP counterparts <i>en marge</i> of donor seat at CaLP Board). 	<p><i>Done, but not on regular basis.</i></p> <p><i>SDC/HA consulted in all major initiatives on CTP (except for IASC).</i></p> <p><i>Global: Cash and Child Protection, GBV, and WASH. SDC: Social protection and Urban poverty.</i></p> <p><i>None so far as of 2016.</i></p>
<p>SDC/HA has invested in new initiatives, related to the priority areas.</p>	<ul style="list-style-type: none"> ➔ Number of initiatives addressing the CTP priority areas or other newer ones (compared to the total of CTP investments made). ➔ Amount of funding and support provided to estimated high impact innovative pilots. ➔ Number of direct actions or/and joint projects with innovative components. ➔ Number of new actors SDC/HA has partnered with to work on niche areas. 	<p><i>Indicators for new priorities from 2017 onwards, hence can't be measured against 2016.</i></p>
<p>CTP well anchored in SDC/HA and has external reach.</p>	<ul style="list-style-type: none"> ➔ Initiatives that have been identified in partnerships (internally within SDC and in the triangle, or/and externally). ➔ Offices, desks and themes consult CTP when appropriate; value of CTP team as a resource to be tapped into is understood. ➔ Number of opportunities taken for lessons learned exercises and knowledge sharing exercises. ➔ Number of SET/rapid response missions, or other assessment missions, CTP is in (compared to the total). 	<p><i>Evaluation with NGO Caritas.</i></p> <p><i>Estimation of use by desks and offices at 30%.</i></p> <p><i>5 BBLs on cash, 1 manual, 1 review, 1 NGO evaluation.</i></p> <p><i>1 mission to Greece (none for Ecuador, and possibly for partner in Haiti).</i></p>
<p>Overall</p>	<ul style="list-style-type: none"> ➔ Qualitative measurement of the impact of the support against the plan. 	<p><i>2016: solid work on 7.5 of the 10 outcomes of operational plan. 2017: new plan.</i></p>

¹⁹ Approach per instrument, rather than per niche, as the use of instruments is cross-cutting to all niches.

ANNEX 2 – Advantages and risks of cash-based transfers:

Advantages²⁰

- Beneficiaries preferences and priorities at the center (=dignity).
- Financial inclusion, social inclusion, access to technology (=sense of normalcy).
- Increased access to local and culturally acceptable products and services (ie. including fresh products).
- Potentially more cost-efficient²¹ (especially through common delivery and multi-purpose transfers).
- Reduced logistics hurdles, and more timely.
- Multiplier effect on local economy.
- Increased responsiveness in adapting to changing needs.
- Enhanced collaboration between humanitarian actors.
- As a tool which requires adjustments of processes in the project cycle, it has helped shed light on multiple possibilities for programme improvements²².

Risks & limitations	Examples of possible mitigation measures
Misuse by beneficiaries	<ul style="list-style-type: none"> • Ensure good targeting of beneficiaries. <i>Evidence shows that the most vulnerable will use the cash for the intended purpose.</i> • A good and reliable database for registration.
Diversion, corruption	<ul style="list-style-type: none"> • Conduct context specific risk analysis. • Use electronic payments if possible that can be better traced. <i>CTP also reduces transport of assistance thus reducing the diversion risk.</i> • Conduct good beneficiary identity verification (transparency and public announcements). • Segregation of duties and establishment of controls (internal and external).
Price inflation	<ul style="list-style-type: none"> • Monitor closely markets (availability, price) and services, adjust the value transfer if needed; • Using vouchers: possibly negotiate threshold prices with suppliers, provide them with timely information. • Consider using a combination of transfer modalities (e.g. in-kind and cash).
Market not functioning well/Disruption of market during transfers.	<ul style="list-style-type: none"> • Conduct market assessments prior to selecting cash or vouchers as a response modality; • Explore possibility to strengthen local market and supply chain; • Contingency plan for possible full or partial switch to other transfer modalities.
Insecurity	<ul style="list-style-type: none"> • Conduct security assessments. • Design of programme and transfer mechanism to help reduce risk (i.e. transfer redeemable closeby to the community or with flexibility on transfer locations, scheduling for redemption that allow beneficiaries to go as a group, preventing travel back at night, etc). • Ensure beneficiary/community participation in the above.
Gender or protection risks	<ul style="list-style-type: none"> • Conduct gender and protection assessments. • Ensure beneficiary/focus groups participation in these assessments. • Solid monitoring throughout the project by trained staff.
Concern over remote management	<ul style="list-style-type: none"> • Advocate and communicate to donors for them to realize the issues are not so different than with in-kind. • Informed risk analysis. • Trust in the “close to best” option, combined with monitoring system.
Lack of service providers/ lack of liquidities	<ul style="list-style-type: none"> • Identify alternative delivery mechanisms: Cash brought from capital city via secure means; use of vouchers with payment on suppliers’ bank accounts; etc.
Creating dependency	<ul style="list-style-type: none"> • Clear communication about intervention duration and clearly defined exit strategy. • Link with social protection programmes.
Government, or donor, is against cash.	<ul style="list-style-type: none"> • Advocate, as the main reason for refusal is often due to a lack of information on the benefit of the use of CTP best practices.
Conflict of interests paralyzing the system.	<ul style="list-style-type: none"> • CTP mainstreamed in all processes, including global system ones. • Clarified leadership system to reduce power battles.
Disadvantages/examples where cash should not be used, or at a later stage.	
<ul style="list-style-type: none"> • The market and services do not function or do not exist. • Sanctions & counter-terrorism law. 	

²⁰ These are possible advantages as highly dependent on context and project design.

²¹ IASC working group findings, June 2016 “When assessing costs or efficiency, it is useful to distinguish between the delivery of assistance and other cost items. In this regard, the cost to agencies to deliver cash to people is generally less than the cost of delivering in-kind assistance, with cash being between two and seven times more efficient”.

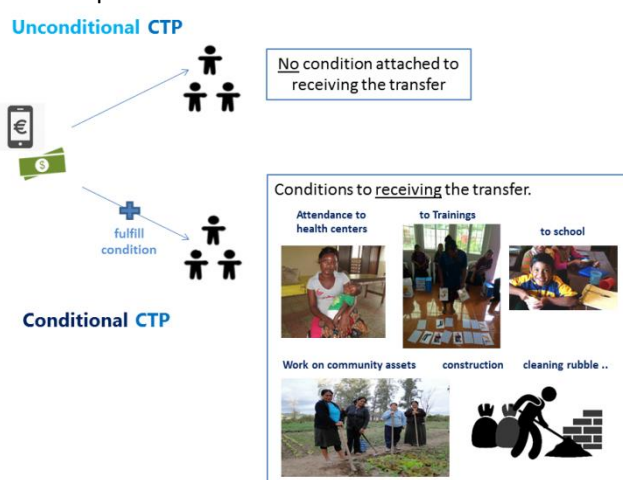
²² Such as the need for better preparedness, better response analysis, more participation of the beneficiaries, stronger feedback mechanisms, better monitoring, and the list goes on.

ANNEX 3 – Definitions *aide-mémoire*:

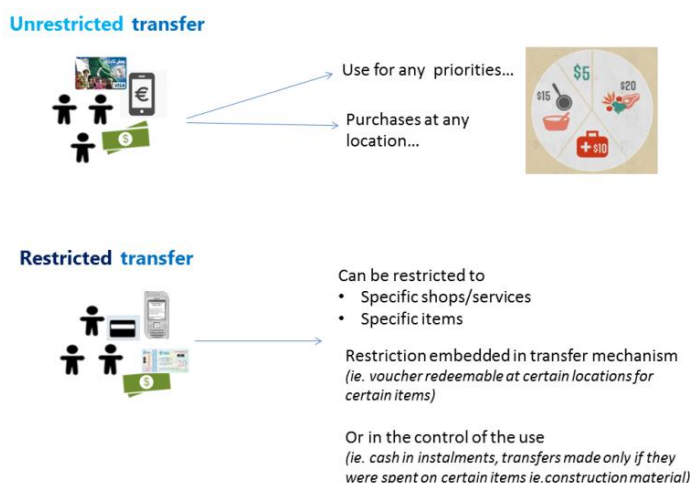
Cash transfers can be channeled for immediate emergency responses (at times reaching beneficiaries much faster than in-kind aid), in natural disaster settings or conflict settings (e.g. cash in Afghanistan or Somalia), it can be used in protracted crises (e.g. linked to livelihood opportunities), for recovery (e.g. cash transfers can be provided to a household to rebuild its house) as well as linked to development (e.g. linked to resilience-building activities, social protection programmes).

A cash-based transfer can be **conditional** if the recipients must engage in, or refrain from, specified behaviours in order to receive a benefit (e.g. participate in work or training or adhere to a health treatment, attend school/education, etc.) or **unconditional** when the recipients are not expected to do anything to receive the transfer. The conditionality is not specific to the transfer modality (it can be applied to in-kind or/and cash-based transfers depending on the project i.e. cash or food for assets, for training, shelter material or cash for rent/hosting, etc.) and is linked to the programme objective and the outcomes it intends to reach (ie. nutritional, income generating activities, DRR, and others)²³.

Linked to the reception of the transfer:



Linked to the spending of the transfer:



Cash is by nature unrestricted and can be a multi-sectoral tool that can be spent on goods and services within and across sectors. So far humanitarian agencies have often used cash transfers to respond to specific sector needs in order to achieve sectoral objectives (food security, rent/hosting, etc.) and thus the transfer value is set according to the specific need it intends to cover. However a transfer can also be provided as a **multi-purpose cash grant (MPG)** aiming to provide the amount of money that a household needs to cover, fully or partially, their basic needs (not only a specific one).

²³ This is the most commonly accepted definition, however it is important to note that publications from the Shelter sector for instance have another interpretation, hence it is also key to always acknowledge that there are different understandings. Common definitions is one of the priorities on CTP globally.