

Cash Transfer Programming

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SDC-HA Cash Advanced Training
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A review of cash transfer programming and the Cash Learning Partnership (CaLP) 2005–2015 and beyond. [\[click here\]](#)

Humanitarian Assistance through Mobile Cash Transfer in Northern Afghanistan: An Evaluation of a DFID Pilot Project in Faryab, Jawzjan, and Samangan. [\[click here\]](#)

Our Daily Bread: What is the Evidence on Comparing Cash versus Food Transfers. [\[click here\]](#)

Contact

Rolf Gsell – SDC Cash Focal Person (Rudolf.gsell@eda.admin.ch)

André Dürr – SDC Programme Officer Cash Transfers (andre.duerr@eda.admin.ch)

Hannes Herrmann – Head of Technical Working Group Cash (hannes@herrmann.ch)

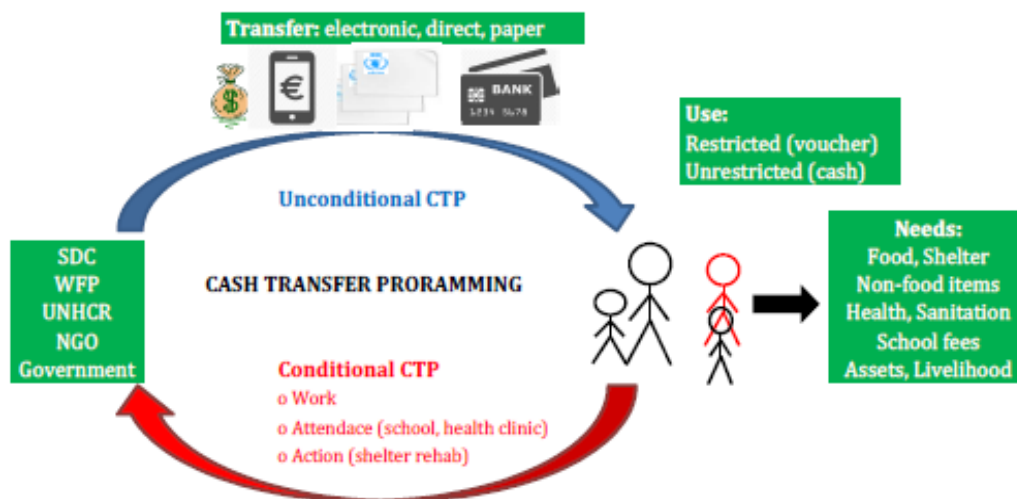
Terminology

There has been and continues to be some of confusion surrounding Cash Transfer Programming (CTP) terminology. In order not to add to the existing confusion, SDC-HA will apply the terminology and definitions provided below. Other donors such as DFID and ECHO are following the same terminology.

CTP (also referred to as cash transfers, cash grants or cash-based response) can be defined as the provision of money or vouchers to individuals or households, either as emergency relief to address basic needs or as recovery support to protect and/or re-establish economic productive activities. It can be used as part of preparedness, as an emergency response or for recovery activities.

CTP can be provided either conditionally or unconditionally. Cash given to beneficiaries without the beneficiary having to do anything specific to receive the transfer are described as *unconditional CTP*. If beneficiaries are required to perform an activity in order to obtain the cash transfer, we speak of *conditional CTP*. Activities can include the provision of work (e.g. to create assets or restore public infrastructure), the attendance to health check-ups, school or training, or the rehabilitation / reconstruction of shelter. Thus, conditional CTP provides extra leverage to promote desirable behaviour among beneficiaries. These programmes are on the other hand more work intense to implement and monitor.

A further distinction can be made between restricted or unrestricted cash transfers. *Restricted cash* transfers usually refer to vouchers, which can only be redeemed in defined shops for selected food or non-food items or services. *Unrestricted cash* transfers refer to money provided directly to beneficiaries or through bank or mobile services. Unrestricted cash can be spent by recipients according to their own needs and preferences.



News from Headquarters

- ❖ André Dürr started to work in Köniz in mid-July as Cash Programme Officer. He will be supporting the Cash Focal Point (Rolf Gsell) and the Technical Working Group 'Cash' (led by Hannes Hermann) in implementing the cash concept and identifying and supporting cash experts on mission.
- ❖ The latest Cash Introduction Training took place in Spiez from 11 to 13 June. 16 participants received a three day introduction into cash transfer programming and the majority has been added to SHA as Junior Cash Programme Officers. The SHA cash roster now contains 71 active members: 46 Juniors, 18 Seniors and 7 Assessors (according to the 2010 established SDC-HA qualification criteria for cash experts). The course material can be found [here](#). The next CTP introduction training will take place in 2015.
- ❖ SDC-HA has decided to support CaLP (Cash Learning Partnership) with non-earmarked funding of CHF 600,000 over the course of two years (2014-15). [CaLP](#) is an NGO consortium mandated to promote appropriate, timely and quality cash and voucher programming in humanitarian response through capacity building, research and advocacy. This partnership is expected to enhance SDC-HA's visibility within the cash community and offers possible complementarities in trainings and courses for present and future cash experts.

News from the Field

- ❖ SDC-HA has recently agreed to deploy two CTP secondments to our partners: Corinne Raess has started to work with the Swiss Red Cross in Bosnia and Herzegovina to support the establishment of a cash for recovery project in response the recent floods. Natacha Pugin will be deployed to WFP Madagascar where she will be working together with Giuseppe Rullanti in setting up and implementing WFP's cash & voucher intervention.
- ❖ The Cash for Hosting project in Northern Lebanon, Akkar region, has come to an end and was closed in August 2014. More details including evaluation results will be included in the next newsletter.

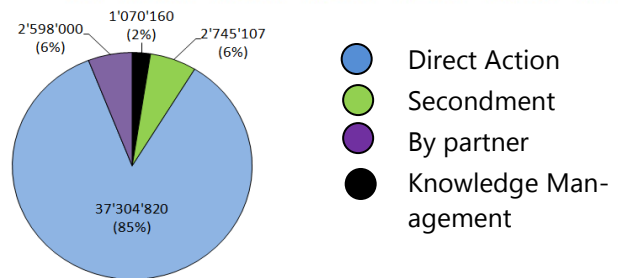
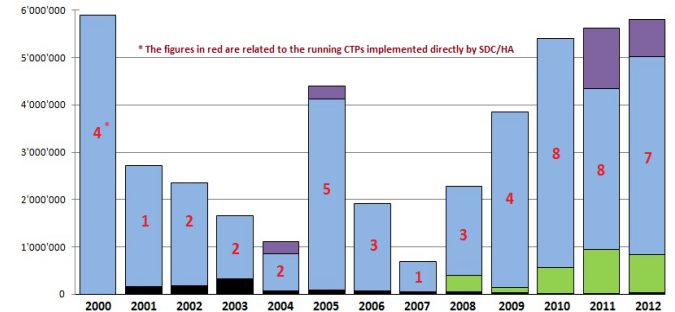
SDC cash activities: response analysis 2000 to 2014

Since 1999, SDC-HA engages in CTP in three areas: 1) implementation of cash direct actions, 2) financing of cash projects implemented by partners (non-governmental organizations or the UN system), 3) support UN agencies and programmes through secondment of SHA Unit cash experts.

Since 2000, experts from the SHA Unit have implemented 24 CTP direct actions in various countries. The majority of direct actions aimed at providing protective shelter to beneficiaries through self-reconstruction or self-rehabilitation and support to host families.

Since 2009, the SDC-HA has supported the UN system through secondments of cash experts from the SHA roster. The aim of these secondments is to assist UN agencies and programmes in institutionalizing CTP and improving CTP programme quality. To date, Swiss experts have been deployed on 28 missions mainly with the World Food Programme (WFP) but also with the UN High Commissioner for Refugees (UNHCR) and the UN Relief and Works Agency for Palestine Refugees (UNRWA). Table 1 provides an overview on SDC-HA's cash interventions by implementation mode.

Table 1 – SDH cash projects per mode of operation



Around 60% of SDC-HA's cash support aimed at addressing immediate needs of people affected by disaster or conflict during the emergency phase such as shelter and food. As of 2008, SDC-HA has increasingly used CTP in the rehabilitation/recovery phase (e.g. livelihood projects in Sri Lanka and Bangladesh) and for prevention purposes (e.g. voucher for seed in Zimbabwe to prevent hunger).

CTP is a modality, not a project

CTP is a modality that can be used to implement projects with varied objectives, in the area of food assistance, livelihood support, shelter rehabilitation, hosting, rent payments, etc. It is as such a means to achieve ends and NOT an end itself. CTP can be used to respond to immediate and short term emergency needs but also to address chronic vulnerabilities and development challenges. It has also important linkages and implications for crosscutting themes such as protection and gender.

In each newsletter, we will explore the linkages between CTP and a relevant humanitarian or development theme. This first newsletter will focus on CTP and **Social Safety Nets** (SSNs).

Social safety nets are non-contributory transfers designed to provide regular and predictable support to targeted poor and vulnerable people. Social safety nets are part of broader social protection systems that may also include measures such as social contributory insurance and various labour market policies.

In the past years, the use of social safety nets in middle and low-income countries has expanded exponentially. While both in-kind (e.g. school feeding programmes) and cash transfers can be used to implement SSN, there is a clear trend towards the use of CTP. Like in emergency response, CTP can be provided conditionally or unconditionally. While most of the SSN programmes in Latin America that were set up in the 1990s and early 2000s are conditional cash transfer programmes (CCT), the majority of the newer SSN in Sub-Saharan Africa are unconditional cash transfer programmes (UCT).

Today, over one billion people in more than 140 countries throughout the developing world are supported through a social safety net. This corresponds to cash payments or in-kind transfer to people in need of roughly USD 337 billion per year. Most countries rely to a large extent on external financing to sustain their SSNs (e.g. from World Bank, other development banks or bilateral donors). This is particularly true for low-income countries.

While SSN come in various shapes and forms, they typically pursue the following objectives: meeting the immediate consumption needs of the poor; increasing the ability of poor and vulnerable households to withstand

shocks; building the asset-base of poor households so that they can invest in more productive and remunerative livelihoods activities. CCTs normally have additional objectives linked to the behavioural change that the government wants to stimulate (e.g. increased school attendance or improved maternal and/or infant health).

Overall, experiences with cash-based SSNs have been positive and encouraging. Various impact evaluations found that SSN have contributed to reducing inequality, reducing poverty, improving food security, improving school attendance and graduation rates, and enhancing households' ability to cope with external shocks. In addition, CTP stimulates local markets and is normally considered by beneficiaries as the more dignified form of assistance.

The question of whether existing SSNs can be used to respond to humanitarian emergencies is relatively new and experiences are limited. In Ethiopia, the Productive Safety Net Programme (PSNP) was successfully scaled up to assist an additional caseload of 3.1 million during the 2011 food security crisis. In response to typhoon Haiyan, WFP partnered with the Philippine government Department of Social Welfare and Development in December 2013 to provide an additional \$30 per month to households receiving assistance through the nation SSN (Pantawid Pamilyang Pilipino Program). More than 500,000 affected people benefited from the 'top up' cash transfers.

However, in other contexts, using existing safety nets was either not or only partially possible. There are several factors that limit the ability to scale up existing safety nets. It is easier to scale up vertically (providing larger transfers to existing beneficiaries) than horizontally (to new beneficiaries). For example, a SSN targeting rural poverty might not be of use if a shock is felt predominantly in urban areas. Other important factors that influence the scalability of existing cash-based SSNs include the availability of data on those in need, of additional resources and the operational availability of a transfer mechanism.

For more information on this topic, have a look at the latest [World Bank report – The State of Social Safety Nets 2014](#), the [DFID Literate Review on CTP](#) or the CaLP research on [Scaling up existing Social Safety Nets to provide humanitarian response](#).

**Voices from the field – Q&A with Alice Golay, SDC-HA
secondment with WFP in Panama**

In 2009, as part of a shift from food aid to food assistance, WFP introduced two additional assistance



modalities, Cash and Voucher (C&V), and its use has increased significantly over the past years. SDC-HA has been supporting WFP through C&V secondments since 2009. To date, a total of 23 C&V experts have been deployed at various Country and Regional Offices and four secondments are currently on mission with WFP.

Alice Golay joined the SHA Unit in November 2013. Prior to joining the SHA Unit, she worked for WFP in emergencies in Mali, Pakistan and Niger, as well as at WFP Headquarters in Rome. In March 2014, she was deployed to the WFP Regional Office in Panama, where she is working together with Louis Rovira, Cash and Voucher Regional Senior Advisor.

What have you been working on during your assignment?

Through SDC-HA, I was deployed as Cash and Voucher Officer in March 2014 to support the WFP Regional Bureau for Latin America and the Caribbean. I was given immediate exposure to the wide range of contexts and challenges prevailing in the region's countries, with implementation and plans for C&V at very different stages and thus requiring different levels of support. Over the past months, I have been working mainly on two fronts: Technical support to country offices, with many missions to the countries, and the development of various Regional Bureau initiatives (e.g. emergency preparedness, training, innovative integrated projects).

What is the most enjoyable / satisfying aspect of your job? And what is the most frustrating aspect of your job?

The most enjoyable aspect would be without hesitations the missions / field visits to evaluate the possibilities to implement projects with the use of cash and/or voucher modalities, and the capacity development of country offices and staff on C&V during these missions. It is very satisfying to return to Panama with the impression that things are moving forward! On the other hand, I do at times get frustrated from the effort it takes to convince others (internally and externally) that C&V is a viable alternative to in-

kind food assistance and in fact a great opportunity whenever the context is favourable to market-based responses.

In the context of Central and South America, what kind of activities is WFP implementing through the C&V modalities?

The nine countries in the region (Caribbean, Central and South America) where WFP has implemented projects with the use of C&V transfer modalities all have their specificities with different operations (development, protracted relief or emergencies) in response to recurrent natural disasters, internal conflicts, poverty, nutrition crises, etc. Most governments in the region have good capacity and strong safety net programmes and there is a wide variety of service providers (e.g. financial, mobile services, retail, and electronic platforms). This gives WFP a lot of flexibility in adapting C&V initiatives to the local circumstances.

For instance, Ecuador is running an entire Protracted Relief and Recovery Operation (PRRO) to assist Colombian refugees, IDPs and host families, using electronic vouchers, while Guatemala is only just starting its very first cash transfer project in response to a slow onset emergency. Paraguay on the other hand is providing immediate unconditional relief assistance to flood-affected households in both urban and rural areas, while Bolivia has just completed a conditional long-term project providing paper vouchers to indigenous rural women for soil rehabilitation and vegetable garden work at community level.

C&V provides grounds for great innovations within WFP. For instance, in El Salvador, beneficiaries redeem vouchers in Supermarkets where the cereals grains are bought from small local producers. Other similar initiatives are ongoing all over the region. Innovation is essential because well-working models can be replicated by national governments, thereby further strengthening the position of WFP as provider of technical assistance.

How familiar are the different country offices with using cash or voucher?

The level of familiarity of each country office with C&V varies a lot and depends mostly on their experience with carrying out such initiatives. We [the regional bureau] provide regular training for country office staff, especially on preparedness to ensure that C&V is an option when an emergency response is being designed. Furthermore, we are organizing the first regional C&V workshop in early September this year to promote the sharing of experience and lessons learned between country offices, identify opportunities for scaling-up, and clarifying and improving C&V processes and guidelines.