



Introduction to Cash Transfer Programming



March 2017



When was the first project using cash to fulfill humanitarian objectives implemented?

- Clara Barton organized cash relief during Franco-Prussian War (**1870-1871**) & after Galveston floods (1900).

And in “modern” humanitarian response?

- SDC one of the first actors to implement cash interventions! When?
- Since **2004**, with the tsunami, CTP implementation has increased in scope, scale and learning of good practices.



CTP History



SDC/HA 29 projects in 19 years, different durations and in 17 countries

1870-1871

Franco-Prussian war
International Red Cross

1998 Balkans

1st transfers
By Switzerland

October 2016

Hurricane Matthew
SHA Rapid Response

2005

CaLP is created

2014

Haiyan Typhoon
40% assistance
in cash

(...)

May 2016

World Humanitarian Summit
Grand Bargain

1900 Galveston (USA)

Floods
American Red Cross

2004 South East Asia

Tsunami
Many cash pilots

2011

Congo DRC, UNICEF
Multi-purpose cash

2007

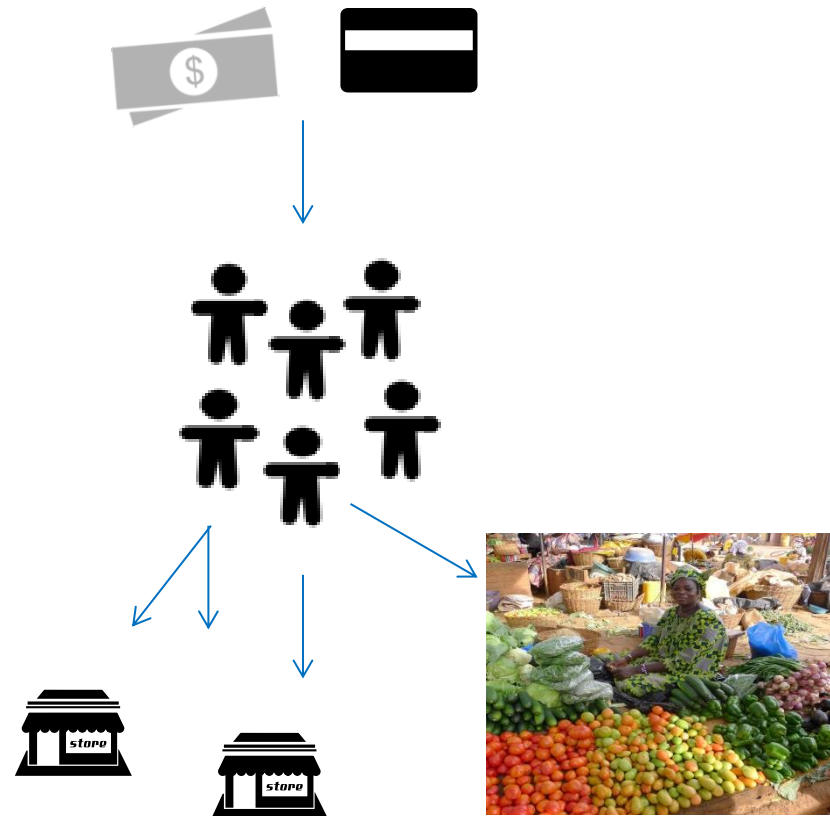
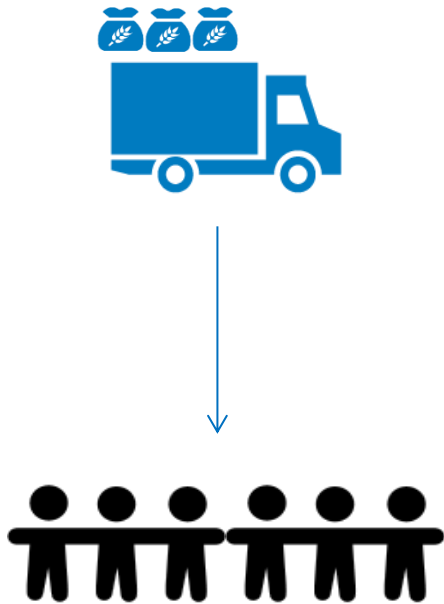
Corporate strategy of
WFP

What is Cash Transfer Programming?



- **A shift!**

from traditional way to new ways.....



What is Cash Transfer Programming?



- CTP = cash and voucher to transfer assistance.
- A **tool** to achieve programme objectives.

CTP is **NOT a programme or a project**, it is a transfer modality



To who?

- Individuals, households, communities.

When?

- Short-, medium- and long-term.
- Humanitarian response (or social assistance).

Opportunities (the reasons why)



For the beneficiaries:

- Responsibility for own recovery (they know best/people at the center);
- Flexibility and possibility of choice;
- Better access to culturally acceptable products, local, fresh;
- Possibilities for financial inclusion of beneficiaries;
- Same transfer can address multiple needs (multi-purpose);
- Multitude of delivery mechanisms, can be less visible.



For the community/localization:

- Market-based: support to local production and economic recovery;
- Multiplier effect of injection in the economy;
- Possibility to use local service providers to effectuate the transfers.



For Swiss Humanitarian Aid and humanitarian actors:

- Enriches the toolbox for assistance delivery;
- Response analysis steps can help ensure better programming;
- Can be more cost-efficient (cut on external transport);
- Stimulates rethinking of processes/humanitarian system.
- Option to link with/reinforce national social protection systems.

Risks & Mitigation measures



Misuse by beneficiaries

(ie. Alcohol, cigarettes)

- **Targeting: those who really need it.**
(evidence shows misuse is minimal)

Diversion, corruption

- **Assess level of context specific risk.**
- **Use of traceable electronic payments.**
- **Solid beneficiary identity verification.**

Market not functioning well/ disruption

- **Solid Market assessment.**
- **Strengthen supply chain.**
- **Contingency plan for switch to other modality.**

Price inflation

- **Monitor market closely.**
- **Flexibility to adjust value.**
- **Vouchers with negotiated prices.**

Security risks

- **Security assessment.**
- **Set-up of transfer and delivery mechanism in way that reduces risk.**
- **Involve beneficiaries in decisions.**

Lack of service providers/ lack of liquidities

- **Identify alternative delivery mechanisms**
ie. Cash brought from a capital city via secure means; use of vouchers with payment on suppliers' bank accounts; etc .



Money transfers

- People receive direct cash or through an account.

Vouchers

Value vouchers

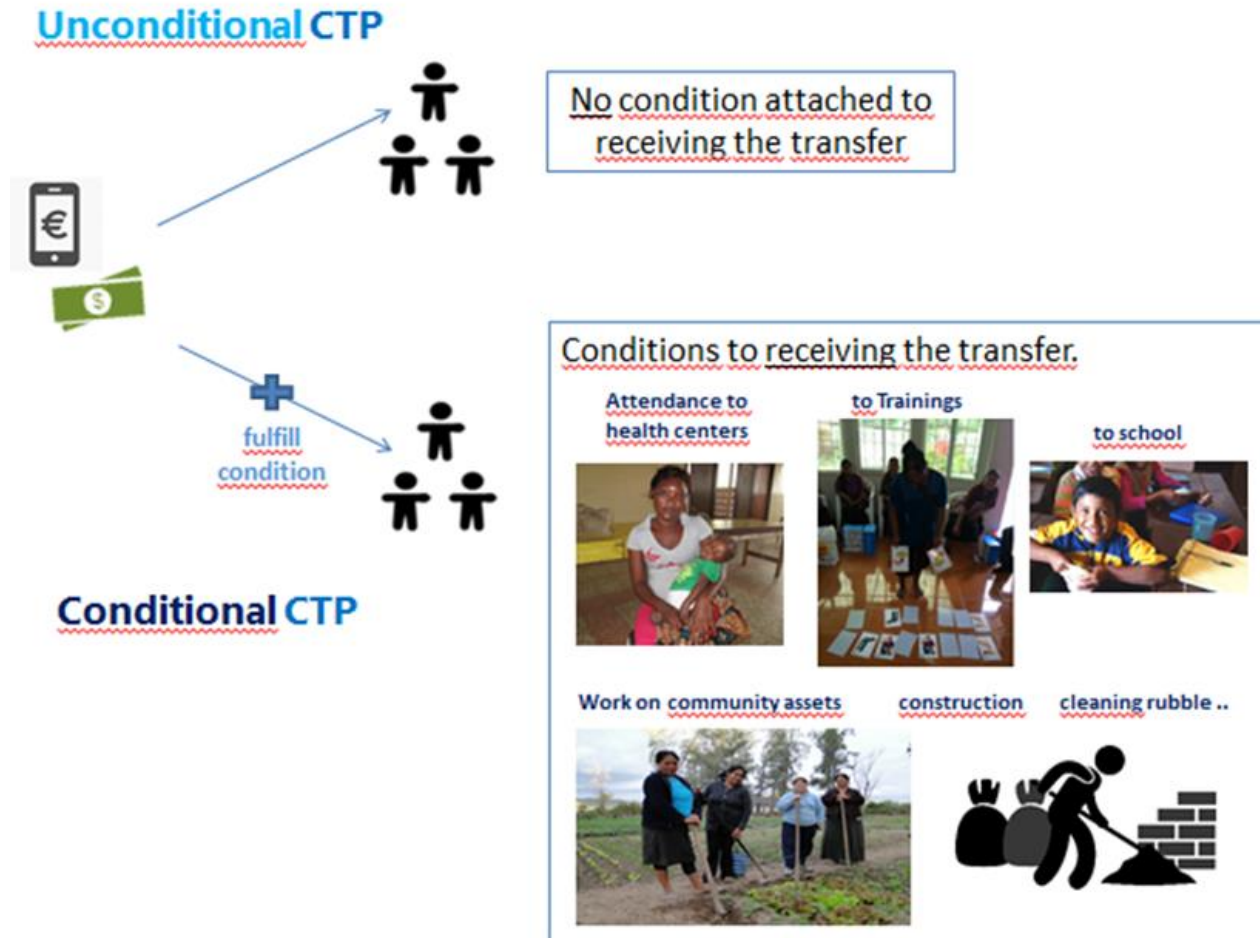
- Monetary value: can be used to purchase goods and services for a certain **value** in any contracted shops.

Commodity vouchers

- Exchangeable for a **fixed quantity** of pre-selected goods or services at contracted shops.

Choice

Conditionality



- When does it make sense to introduce a conditionality?
- **Not specific to Cash Transfer Programming!**

Unrestricted transfer



Use for any priorities...

Purchases at any location...



Restricted transfer



Can be restricted to

- Specific shops/services
- Specific items

Restriction embedded in transfer mechanism
(ie. voucher redeemable at certain locations for certain items)

Or in the control of the use
(ie. cash in instalments, transfers made only if they were spent on certain items ie. construction material)

- When can it make sense to introduce a restriction?

Transfer mechanisms



Cash

- Direct delivery (cash in envelopes/at counter).
- Delivery through banking systems (account, ATMs or other mobile banking technologies).
- Debit cards/pre-paid cards.
- Mobile technology.

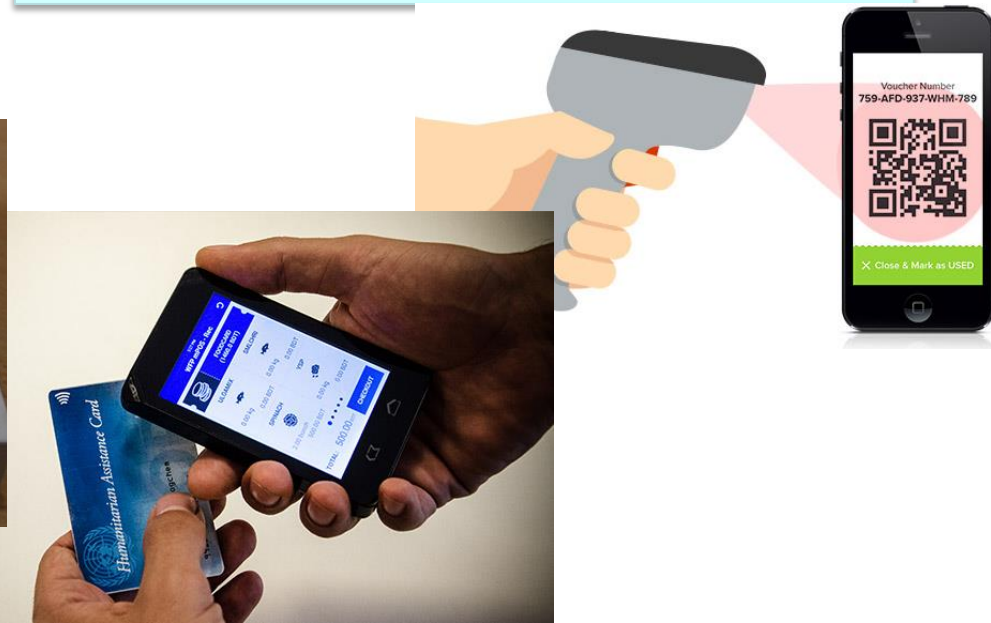


Transfer mechanisms



Vouchers

- Paper vouchers.
- Electronic voucher: with point of sale.
- Scratch cards.
- Mobile voucher transfer.



Transfer model



Who is it done through?

Institutions / service providers

- UN/NGO (do it yourself).
- Bank.
- Mobile (Telecom) company
- Postal office.
- Micro-credit institution, rural cooperative.
- Remittances company.
- Security Company/ Military.
- Local authorities.
- Intermediary service provider.

Once delivery mechanism and partners are defined:

Transfers can either delivered in several regular tranches, as one-off or as ad-hoc payments...

[Video Mastercard](#) (at 1'16)

Two examples:



WFP
Haiti

Digicel

Distribution of sim
cards and access
codes



Transfer
notification

Community
leaders

By phone

Withdrawal at
Digicel counter



UNHCR
Jordan

بنك القاهرة عمان
CairoAmmanBank

Opening of
account;
Registration of iris



Transfer
notification

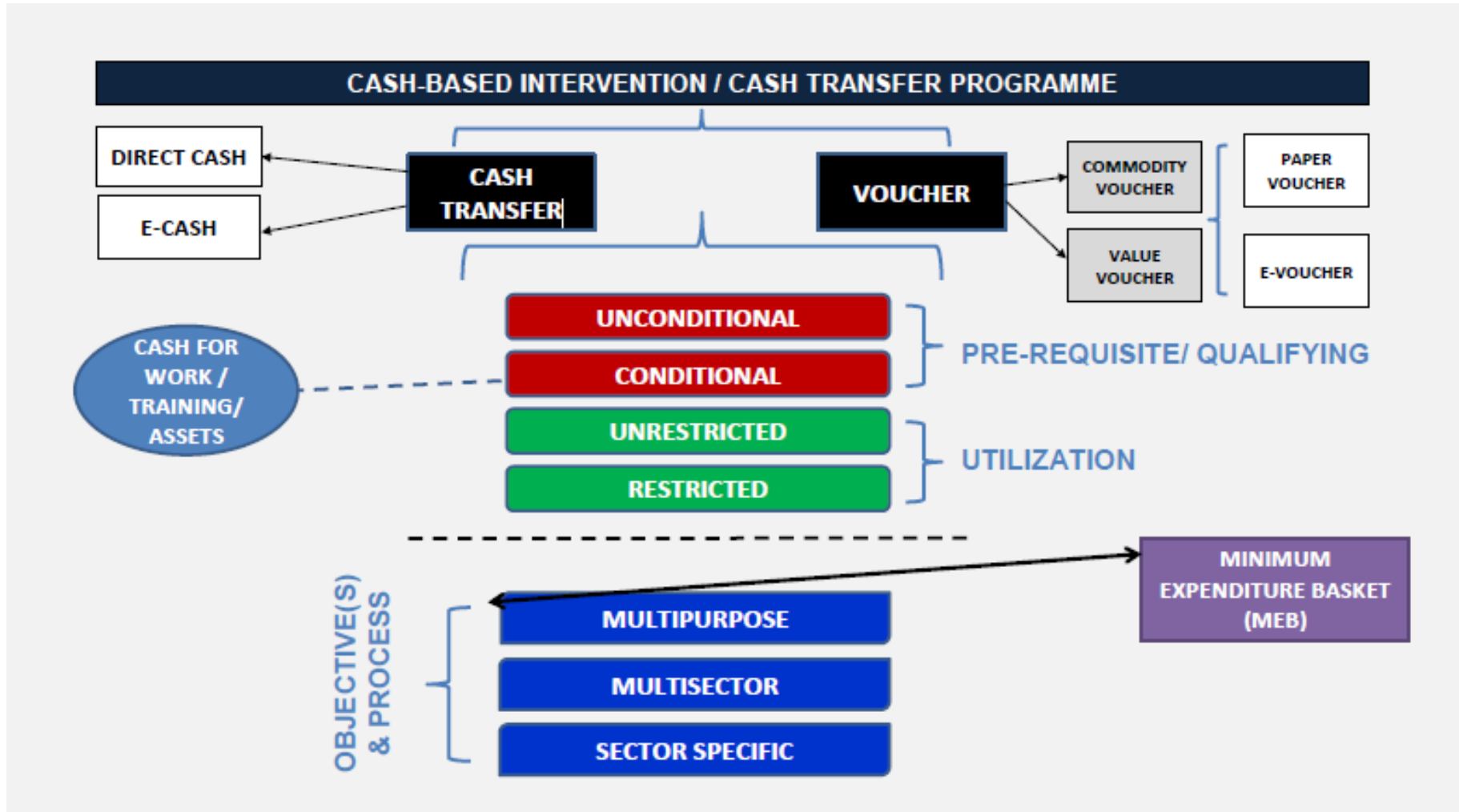
Withdrawal at ATM
with iris scan





*Syria, Homs: a pregnant woman redeems her voucher against fresh products.
Photo taken by Swiss cash expert seconded to WFP, March 2016.*

Summary



Decision path for transfer modality choice



Needs?

Market capacity?

Service providers options
and capacity
(Financial, suppliers, mobile)

Cooperating partners'
capacity
(local NGOs, authorities)

Government acceptance &
National policies

Protection and
gender
considerations

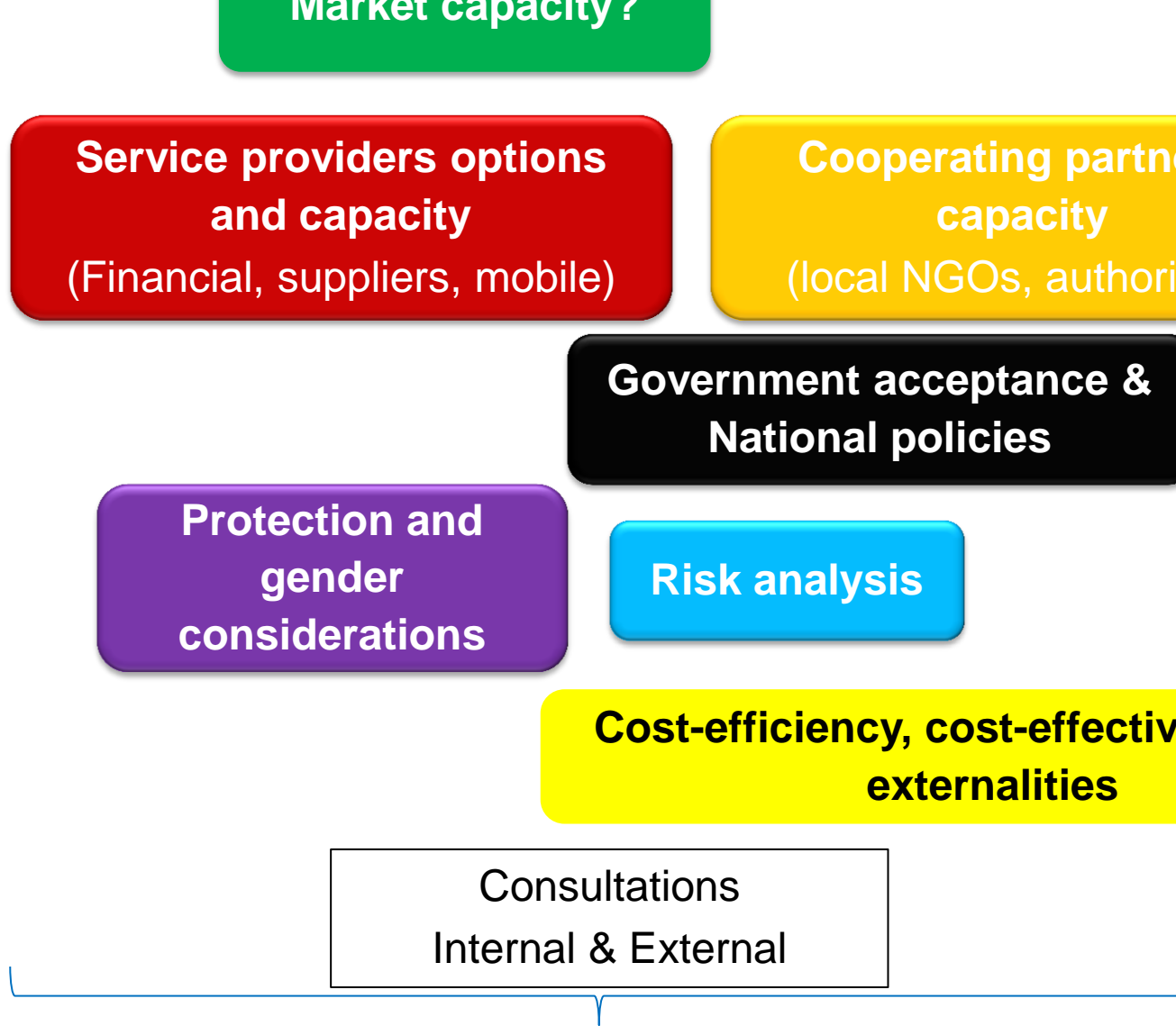
Risk analysis

Cost-efficiency, cost-effectiveness and
externalities

Consultations
Internal & External

BENEFICIARY PREFERENCE!

DECISION



Analyse Market Capacity



Why is it important to understand markets?

- People depend on markets.
- Shocks can affect markets.
- Markets can form part of humanitarian response.
- Markets can be affected by humanitarian response.
 - Through in-kind assistance?
 - Through cash assistance?

What do we need?

- Functional and integrated markets;
(quantity, quality, prices)
- Beneficiary access to markets and shops;
- Services!! (medical, but also credit), labour capacity;
- Transport, infrastructure.
- Understanding of policies & regulations.
- Traders able to respond to the increased demand;



Service provider capacity and options



- **Reliable and functional transfer system;**
- **Financial viability;**
- **Option that is user-friendly, advantages for beneficiaries;**
- **At scale; Timely;**
- **Local? Global? Cost?**

Cooperating partners' capacity

- **Good performance in general, but also...**
- **Experience in using cash and vouchers;**
- **Financial viability and internal controls.**
- **Field presence, reputation, etc.**



Why do we need to understand protection (risks/benefits)?

- Responsibility of all, eyes in the field (mainstreaming)
- Do no harm, only if we understand can we mitigate.
- Explore possible positive impact.
- In-kind versus CTP – no strong evidence of higher risk.

Protection risks or benefits in regards to:

- Household and social dynamics (gender).
- Independence, self-reliance.
- Safety (e.g. during distribution or use).
- Burden.
- Fraud and/or diversion (by local elites and project staff).
- Data protection (unauthorized access/use of sensitive data).
- Technology.
- Comparing with alternatives (e.g. risk of doing nothing).

Government



- **Acceptance by the Government;**
- **Policy frameworks, coherence;**
- **Link with social safety nets.**

Risk analysis

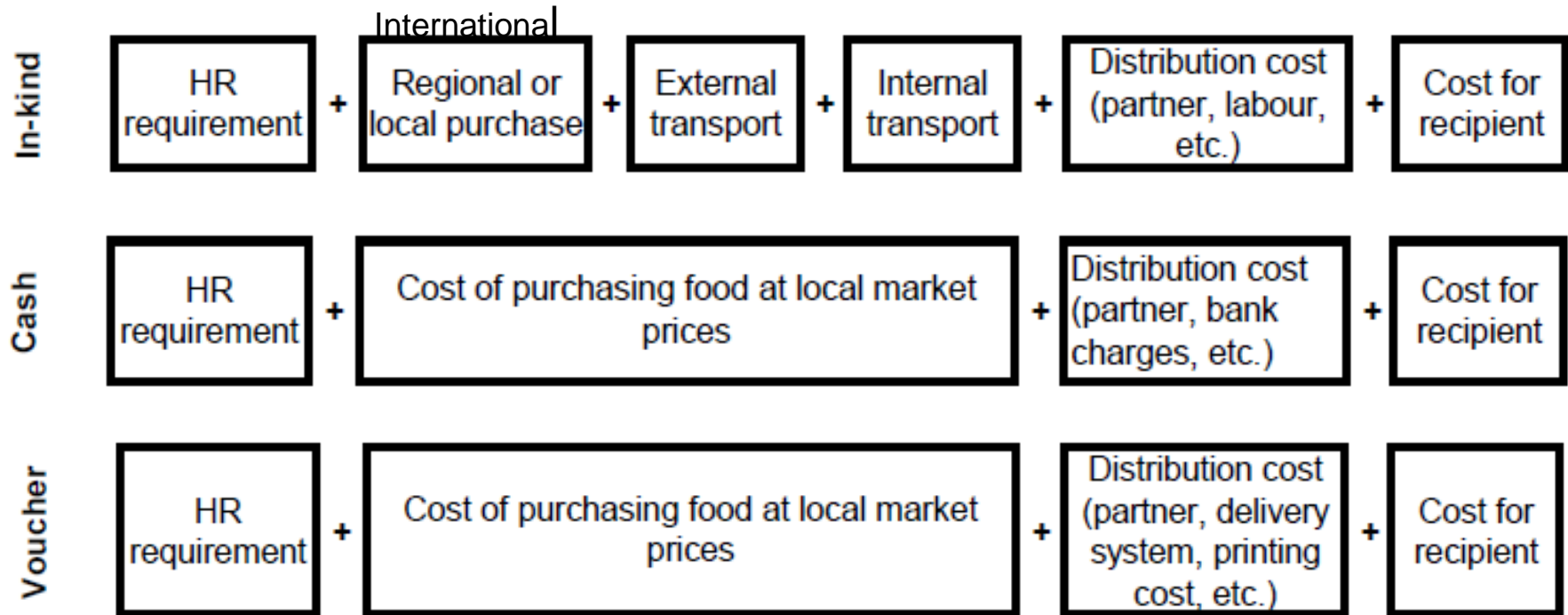
- **Contextual** (security, corruption, prices, insufficiency)
 - **Programmatic** (tensions with non-beneficiaries, misuse)
 - **Institutional** (reputational risk, financial)
- > **Mitigation measures, and see whether acceptable or too high.**

Cost-Efficiency and –Effectiveness

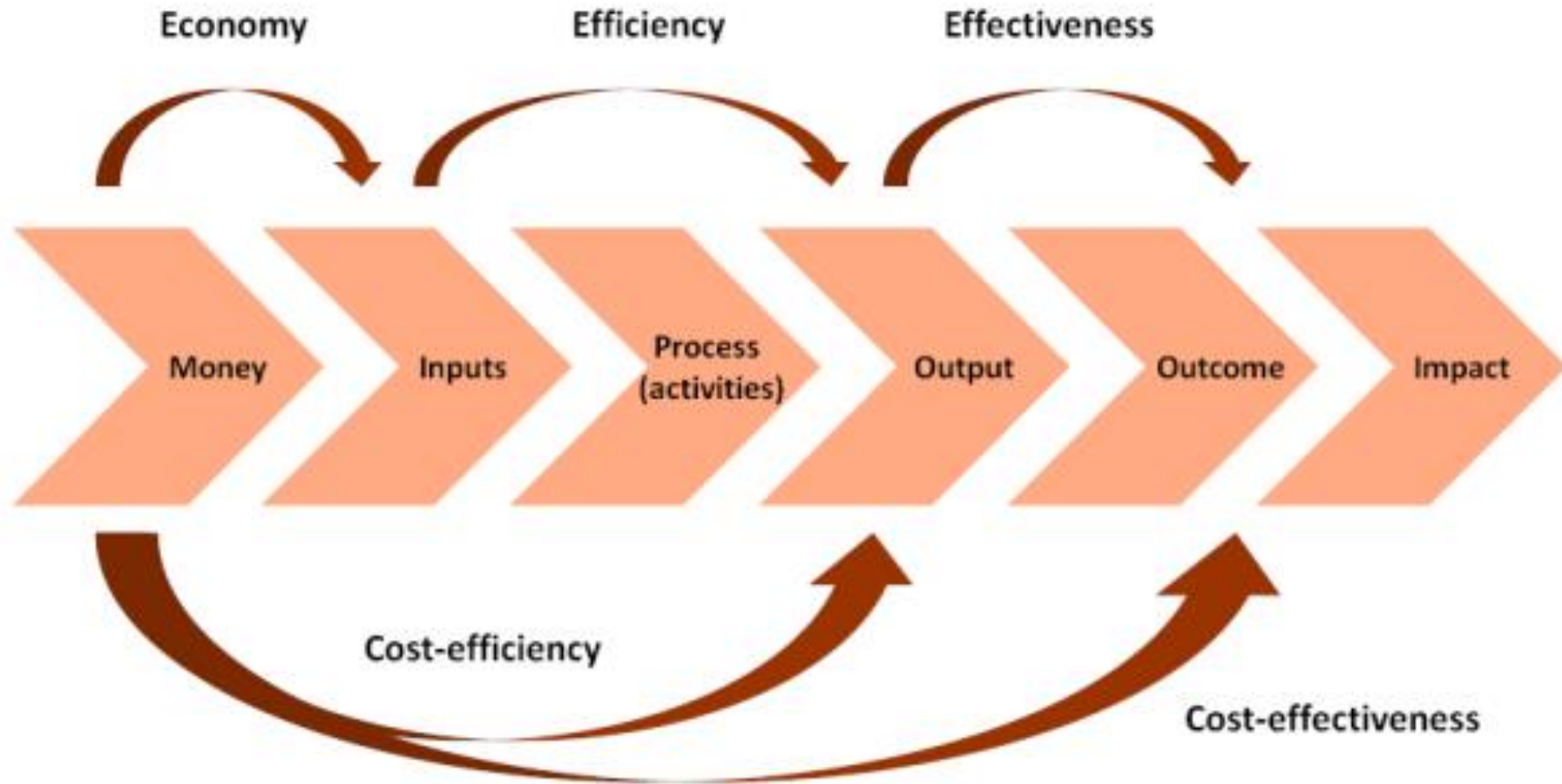


Cost-efficiency – example with food assistance:

- Output: Provide food assistance to # of people



Cost-Efficiency, –Effectiveness and externalities



Externalities: Timeliness, impact on the market, etc

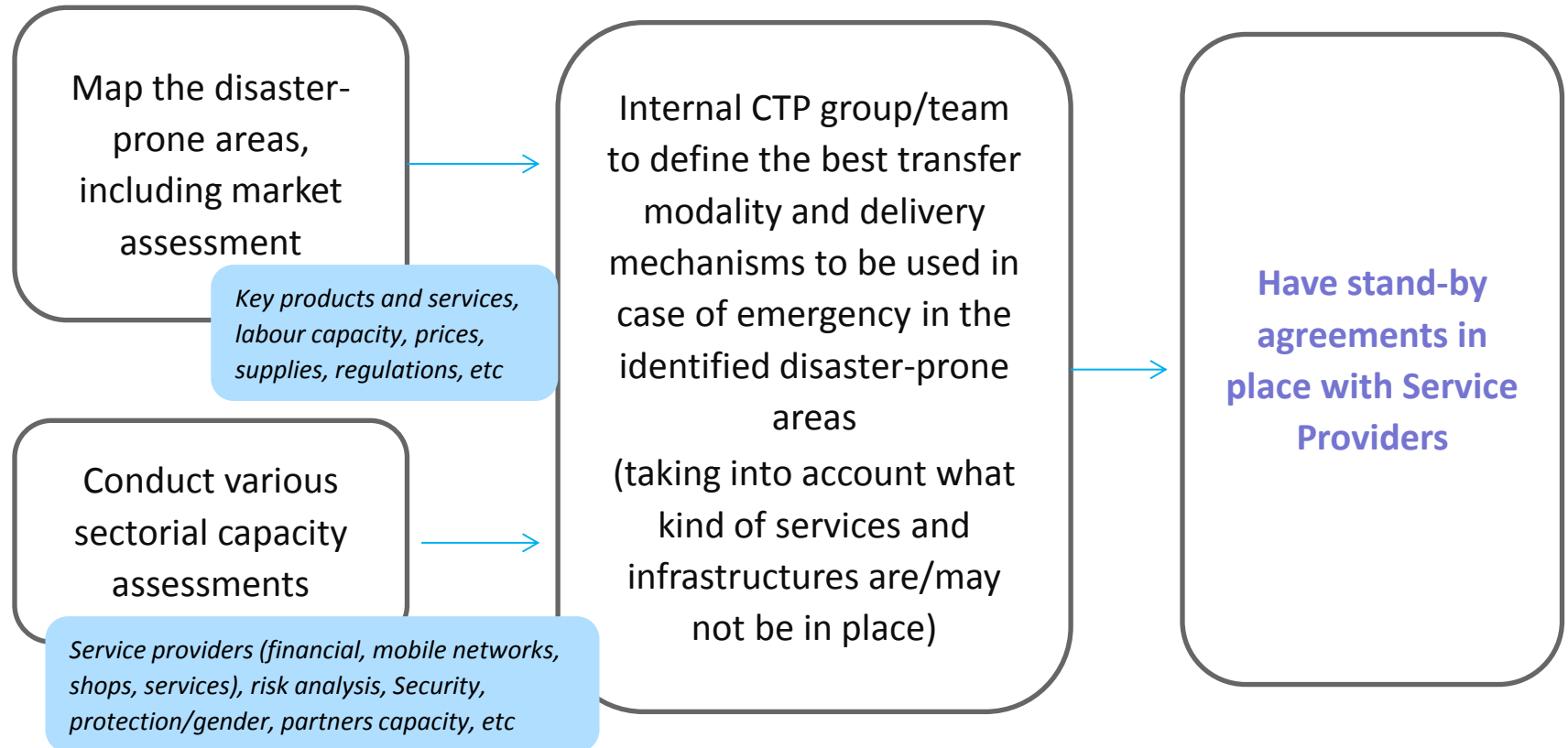
Design, set-up and implement CTP



Once best transfer modality(ies) has(ve) been decided upon:

- **Decide on delivery mechanism & distribution model.**
- **Selection of service providers, cooperating partner & agreements.**
- **Beneficiary selection and registration set-up.**
- **Determine value and frequency of the transfer.**
- **Determine cash flow and responsibilities.**
- **Have clear risk mitigation measures (protection, operation and financial).**
- **Develop monitoring (and evaluation) framework.**
- **Develop a communication strategy.**
- **Set up a feedback mechanism.**
- **Clear budget, coordination plan, exit strategy, etc.**

Preparedness – essentials for CTP



**Procurement and contract clearance process can take the longest time in a response.
=> Importance to have long-term agreements or stand-by agreement in place before a crisis hits.**

Preparedness – current status



**Common need, all working on the same thing!
(duplication)**

- **Joint feasibility studies being piloted (Afghanistan, Myanmar, Burundi and Niger).**
- **Networks have formed: ELAN for digital payment options.**
- **Platform for all (WFP positioning itself in new strategic framework).**
- **Multiple new services appearing (private sector has understood opportunity).**

Convergence between social protection and humanitarian assistance



Similarity of function



- to protect people from deprivation (save lives and suffering) by providing relief and maintaining human dignity during and in the aftermath of the crisis

Similarity of tools



- Transfers – cash and in-kind

Social Protection: role of humanitarian actors



- Humanitarians have a role: **1) using & 2) contributing.**

USE

An existing system can potentially help with embarking on a response at speed and to reach out to large number of people

Can be **faster**:

- WFP in the Philippines.
- UNICEF in Nepal.

Vertically & horizontally, and at scale

Can be **cheaper**:

- IRC in Pakistan (divided costs by 3)

Can be **easier**:

- Use a part of it, WFP Guatemala.

Piggy-backing

Can provide a great **exit strategy** for HA



CONTRIBUTE

A stronger system strengthens preparedness of the state to deal with future crises and help with building resilience of communities and systems



Strengthen emerging social safety nets:

- Support Government's embryo of a system, WFP Myanmar.
- Introduce a system that the Government might be willing to takeover, Consortium Haiti.

Provide technical assistance to existing ones:

- Shock-responsiveness, HSNP Kenya WB/WFP
- Registration systems.
- Payment systems.
- Shift between in-kind and cash, India WFP.

Facilitate exchange:

- Between countries.
- Within countries:
Link between line Ministries, Peru WFP.

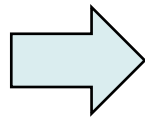
New options: From sectoral to multi-purpose cash



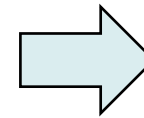
- Cash has the ability to meet multiple needs of households
 - across different sectors.
- Evolution:

▪ Localization
▪ Private sector

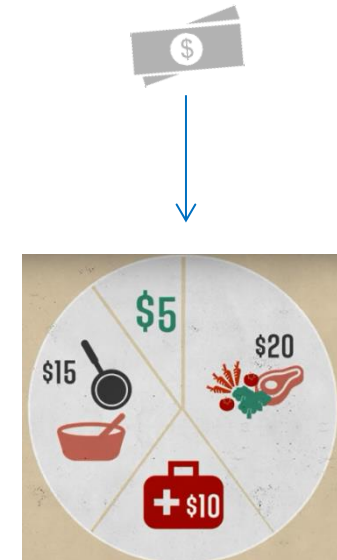
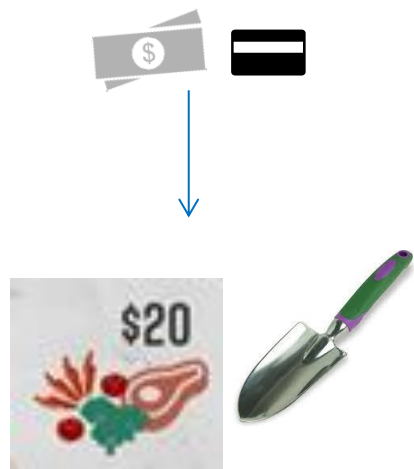
Food
Security and
livelihoods



Use in multiple sectors
*(food, shelter, WASH,
education, protection, health,
nutrition)*



Multi-purpose
cash



Multi-purpose Cash transfers



Definition:

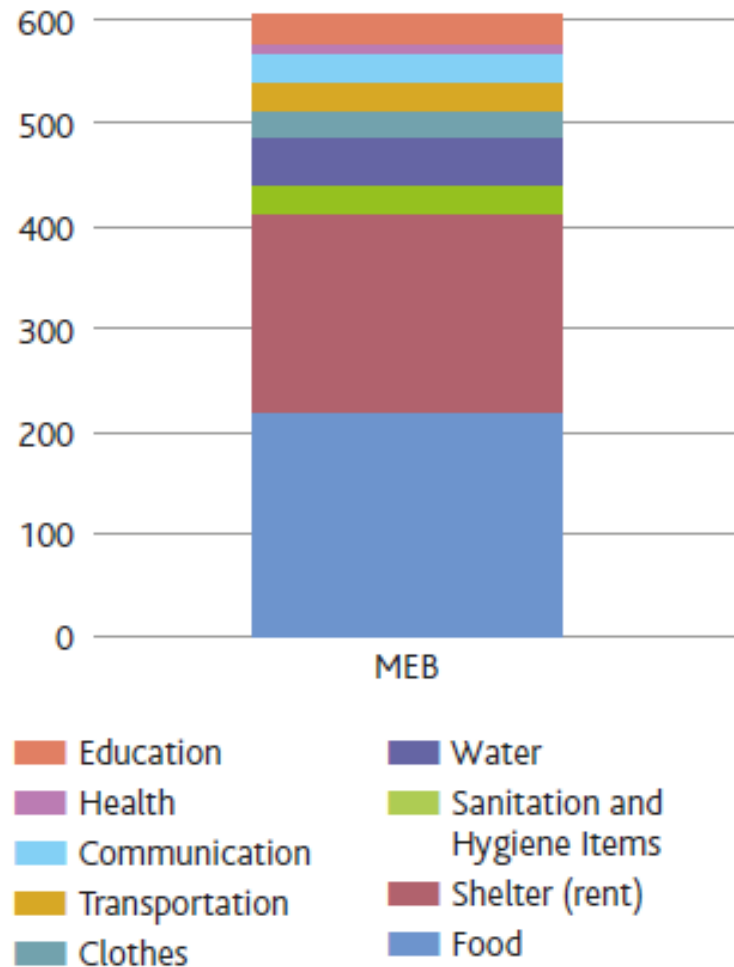
Cash transfer corresponding to the **amount of money that a household needs to cover, fully or partially, their basic needs** that the local market and available services are able to meet appropriately and effectively.



Multi-purpose Cash transfers



**Minimum
expenditure
basket (MEB)**



- Transfer aims to cover the **GAP!**
- Depends on the objective.

Barriers to humanitarian CTP at scale



- Actual cash response (estimated): ~ 7% → A lot of scope for more use of cash-based transfers.

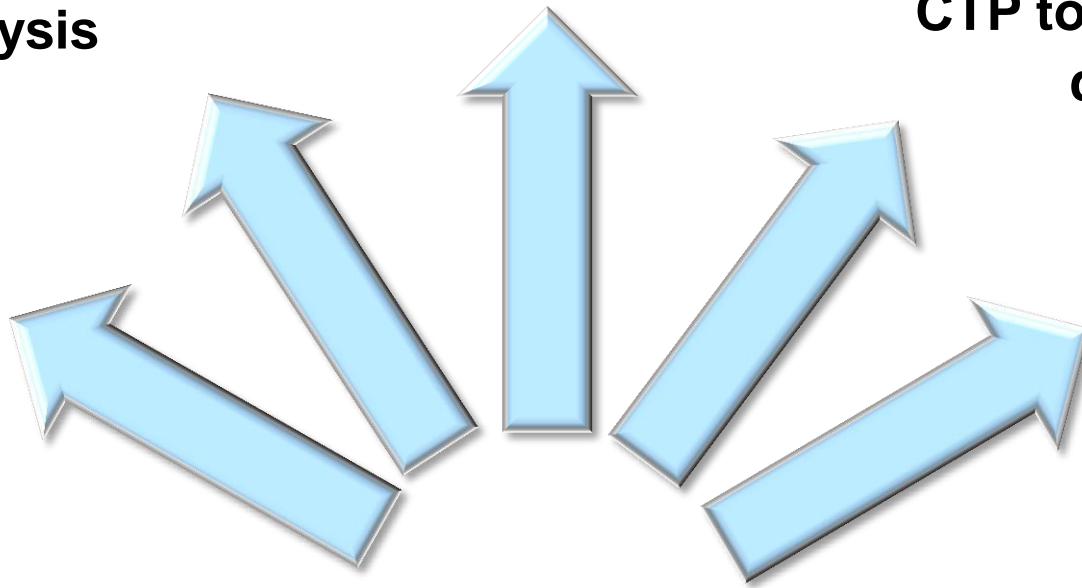
Inconsistent approaches to assessment and information analysis

Institutional set-up and mindsets not fit-for purpose

Limited institutional capacity across sectors to deliver CTP to appropriate quality

Issues with coordination of CTP

Preparedness to implement using CTP



Possible models..... in the short-term

Independent body?

Consolidation/ one common delivery group?

With the Government? the WB?

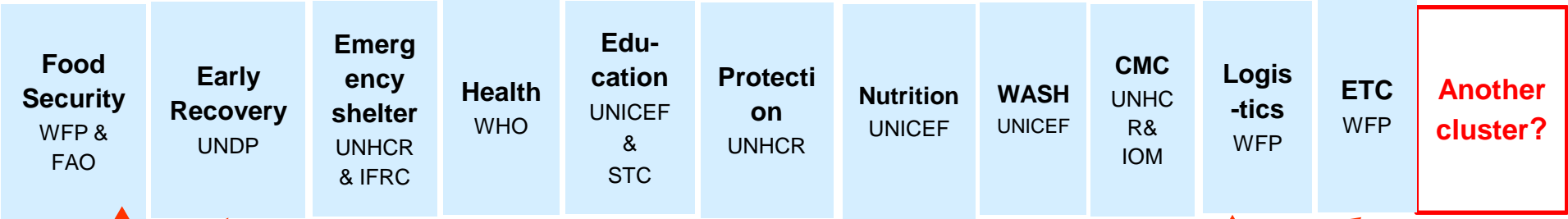


Other option?

Humanitarian Coordinator & Country team

Inter-cluster Coordination

Close to the ICCT and the HC?

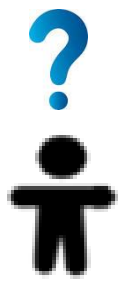


Within an operational cluster?

Mainstreamed in all clusters?

Within a service cluster?

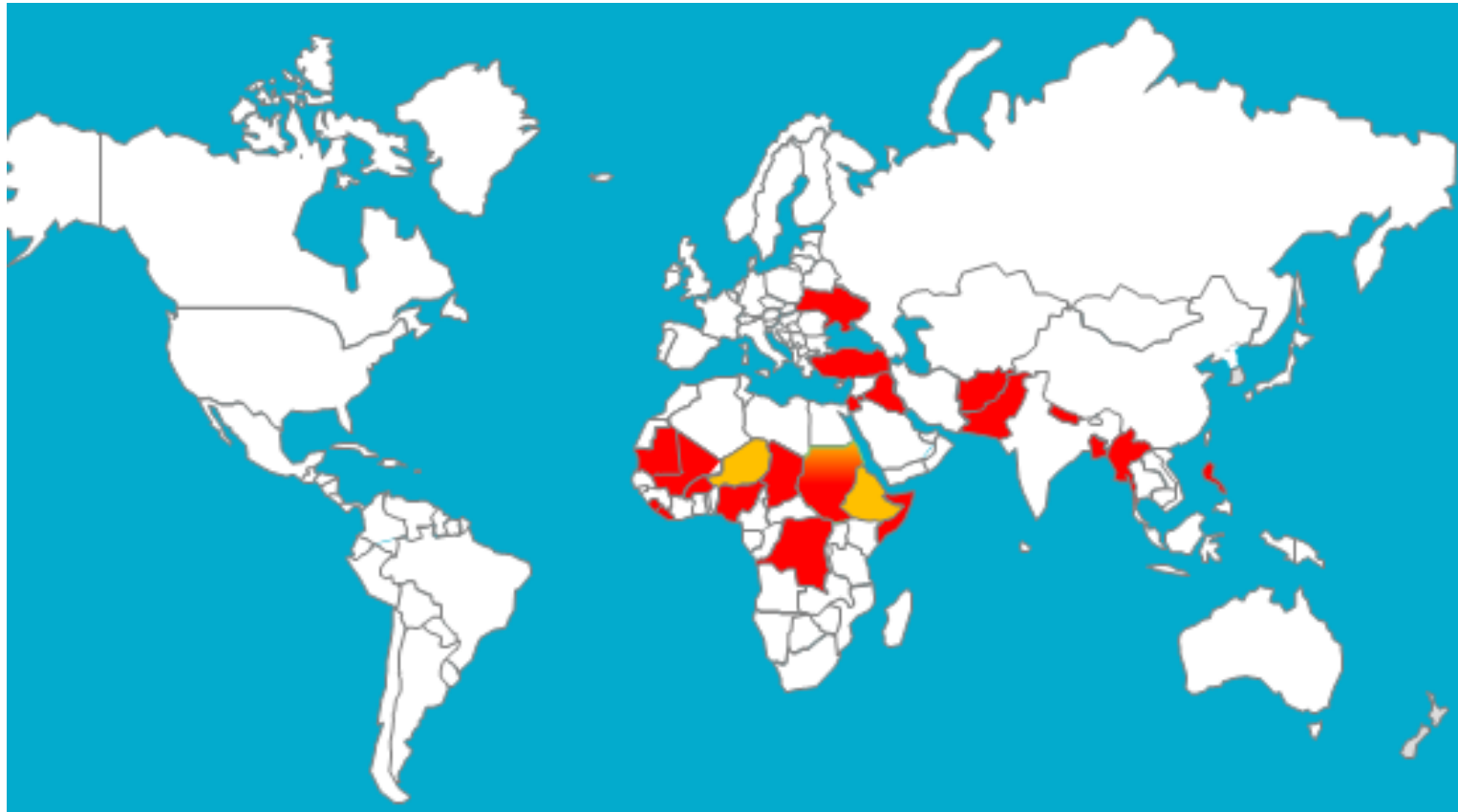
Where and how should cash coordination fit?



Cash Working Group in countries (2016)



- **24 CWGs: majority established in the last year (more exploring).**
- **Ad hoc establishment, permanent or rotating leads, attached or not to formal architecture.**



Current situation

Consolidation/ one common delivery group?

With the Government? the WB?



Other option?

Humanitarian Coordinator & Country team

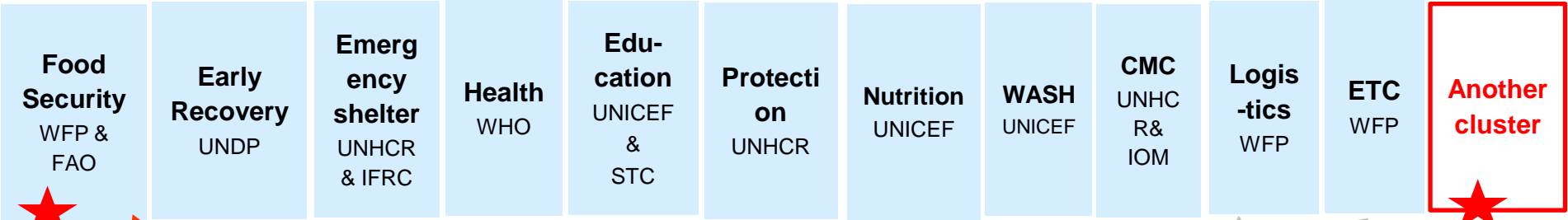
Inter-cluster Coordination

Close to the ICCT and the HC

Independent body

5 CWGs here

4 CWGs here



5 CWGs here

Within an operational cluster

Mainstreamed in all clusters?

Within a service cluster?

1 CWG as basic assistance cluster

- IASC working group proposal (April 2016):
 - CWGs formalized and replaced by Response Analysis Groups (RAGs): help desk for both cash and in-kind transfers across clusters = avoid silo effect.
 - Recommended short-term solution: RAG becomes a subgroup of existing intercluster coordination group.

Pledges, numbers.....



Actor	2015/2016	Target
WFP	<p>US\$ 1.2 billion for 2015 went for CTP -></p> <p>24% of operations in 2015</p> <p>150% average yearly growth</p> <p>77% increase of \$ from 2015 to 2017</p> <p><u>60% of all global transfers</u></p>	<p>Steady 5-10% increase over the next 5 years.</p>
UNHCR	<p>US\$430 million went to CTP in 2016</p>	<p>Double the amount by 2020. <i>Policy on CBIs, November 2016</i></p>
ICRC	<p>CHF 61 million in CTP in 2016</p>	<p>x 2.5 -> CHF150 million by 2021.</p>
11 NGOs/ groups	<p>7% of assistance went to CTP</p> <p><i>ACF, CaLP, CRS, DCA, DRC, IRC, Mercy Corps, Oxfam, Relief International, Save the Children, World Vision</i></p>	<p>At least 25% by 2022.</p>
SHA	<p>No specific target: core and unearmarked contributions, specific projects where capacity lower, experts on missions, etc.</p>	<p>Increase/support it as much as possible</p>

Some key resources



“Go to” pages on cash transfer programming:

- SDC: <https://www.shareweb.ch/site/Cash-Transfer-Programming/Pages/default.aspx>
- CaLP (Cash Learning Partnership): <http://www.cashlearning.org/english/home>
- Cash in emergencies toolkit: Red Cross Movement: <http://rcmcash.org/>
- IFRC e-learning course on cash transfers: <https://ifrc.csod.com>

Key and recent publications:

- High-Panel on Humanitarian Financing, Report to the SG, “Too important to fail – addressing the humanitarian financial gap”, February 2016 <http://reliefweb.int/report/world/high-level-panel-humanitarian-financing-report-secretary-general-too-important-fail>
- IASC Cash Transfers in Humanitarian Contexts, April 2016 <https://interagencystandingcommittee.org/principals/documents-public/cash-transfers-humanitarian-contexts>
- World Humanitarian Summit: <http://www.irinnews.org/analysis/2016/05/26/world-humanitarian-summit-winners-and-losers> and <http://groundtruthsolutions.org/2016/05/31/whsummit-scorecard-winners-and-others/>
- Doing Cash Differently, High level panel on cash transfers, <https://www.odi.org/sites/odi.org.uk/files/odi-assets/publications-opinion-files/9828.pdf>
- Common principles on Multi-purpose Cash transfers, ECHO, March 2015 <http://www.cashlearning.org/downloads/conceptpapercommontoplineprinciplesen.pdf>
- UNHCR Corporate Strategy on cash-based interventions, October 2016 <http://www.unhcr.org/581363414>

Some key resources



Guidance pieces:

- WFP Manual on cash-based transfers
http://documents.wfp.org/stellent/groups/public/documents/newsroom/wfp274576.pdf?_ga=1.53336808.1318517105.1479473005
- Operational guidance and toolkit for multipurpose cash grants, <http://www.cashlearning.org/mpg-toolkit/>
- Guidance on cash based safety nets in humanitarian contexts,
<http://www.cashlearning.org/downloads/calp-humanitarian-pratitioners-guidance-notes-en-web-.pdf>
- CTP Organisational Capacity Assessment Tool <http://www.cashlearning.org/strengthening-institutional-capacity/ctp-organisational-capacity-assessment-tool-ocat>
- Protection outcomes in Cash-based interventions, UNHCR and DRC, January 2015,
<http://www.cashlearning.org/downloads/erc-cash-and-protection-literature-review-web.pdf>

Pieces of evidence (more can be found on the CaLP website):

- Review of evidence (*165 studies on cash and vouchers*), ODI <https://www.odi.org/publications/10505-cash-transfers-what-does-evidence-say-rigorous-review-impacts-and-role-design-and-implementation>
- Risks, ODI <https://www.odi.org/sites/odi.org.uk/files/odi-assets/publications-opinion-files/9727.pdf>
- Comparative study on cash and in-kind in humanitarian situations, Gentilini
<http://www.cashlearning.org/downloads/theothersideofthecointhecomparativeevidenceofcashandinkindtransfersinhumanitariansituations.pdf>

Some key resources



Infographics:

- Scaling up humanitarian cash transfers, ODI, <https://www.odi.org/opinion/9878-infographic-humanitarian-cash-transfers-crisis-aid>
- Myths versus Reality, FAO & UNICEF, <http://www.fao.org/resources/infographics/infographics-details/en/c/452436/>

Videos available on youtube:

- Supply chain for cash and vouchers <https://www.youtube.com/watch?v=2g8CCbTfwpg>
- Strengthening markets in crisis <https://www.youtube.com/watch?v=2g8CCbTfwpg>
- Multiplier effect <https://www.youtube.com/watch?v=BhvpzyDJfi8>
- 10 things you should know about cash transfers: <https://www.youtube.com/watch?v=V08DZytvjXg>
- Video of UNRWA e-cards in the West Bank <https://www.youtube.com/watch?v=C2WZ19L-L10&feature=youtu.be>

Others:

- Online course: Urban cash transfer programming and livelihoods <http://www.cashlearning.org/capacity-building-and-learning/urban-cash-transfer-programming-and-livelihoods-e-learning>