ASPEKTE 04

CASH INSTEAD OF PARCELS – A SHIFT IN HUMANITARIAN ASSISTANCE

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Diakonie Katastrophenhilfe

Contents

Information:
The European Union and its Member States are a leading global donor of humanitarian aid. Through the European Commission's Humanitarian Aid and Civil Protection department (ECHO), the EU helps over 120 million victims of conflict and disasters every year. With headquarters in Brussels and a global network of field offices, ECHO provides assistance to the most vulnerable people solely on the basis of humanitarian needs, without discrimination of race, ethnic group, religion, gender, age, nationality or political affiliation.

Dear reader,

Some disasters take place in a flash, while others creep into existence – but whether in the case of an earthquake, a flood or a famine, the people affected are dependent on our aid for weeks, often months.

Yet what type of aid is the best, when the emergency continues? During and after the disaster, most of the victims supported by Diakonie Katastrophenhilfe (Diakonie Emergency Aid) live in a place where infrastructure and trade have long since collapsed. Fighting continues, adults and children sleep in tents for years, food and clean water is in short supply, and houses and fields have been destroyed.

Helping disaster-affected people with food and supplies is one way. Another way is to transfer them some cash. After all, when they get aid parcels, the suffering people generally cannot choose their food or clothing themselves. For that reason too, Diakonie Katastrophenhilfe increasingly relies on money transfer. The feelings of being helpless and powerless that come with every disaster should not be extended by assistance that takes away people's initiative and all their self-reliance.

Diakonie Katastrophenhilfe helps worldwide where the need is greatest. This brochure aims to give you an impression of our efforts to make our aid more efficient. But on top of that, we want the people concerned to be able to run their own lives with dignity, in the disaster area or at their place of refuge – through cash transfers.

This is still a new instrument and we will explain how it works on the following pages – where it applies and who oversees it. We view ourselves as a "learning" organization in this matter – as such, we continue to work on improving and expanding our cash-based assistance with our partner organizations in Africa, Asia, Latin America and Europe. Our aim is always to ensure that humanitarian assistance does not undermine the development prospects of individuals and affected regions.

Yours sincerely

Rev. Dr. h. c. Cornelia Füllkrug-Weitzel
President Diakonie Katastrophenhilfe

We do it to leave people their dignity

Why does Diakonie Katastrophenhilfe focus on cash transfers?

It is an ambitious goal: by 2030 every second euro could be paid out directly as emergency aid to the victims of natural disasters, wars, displacement or epidemics. Studies estimate this as realistic. In its interventions, Diakonie Katastrophenhilfe has been giving priority to cash transfers for quite some time now. Our staff and partner organizations in Africa, Asia, Latin America and Europe do still distribute food parcels, blankets or hygiene kits to disaster-affected people. However, over 14 percent of the funds with which we support humanitarian projects all over the world reach those who need them most in the form of vouchers or cash, via a mobile phone or prepaid-card. That is every seventh euro.

We find that it makes sense to help people in need with cash, where this is possible and appropriate. The advantages of Cash Transfer Programming (CTP) are obvious to us: money gives people their dignity because they can decide themselves what they need. That is just as important to flood victims in Germany as to the victims of earthquakes or long-lasting crises. They also help local markets, because people with money do not just ask for goods and services – they can also pay for them. We also focus on CTP, because those suffering hardship know better than distant aid organizations what they need most to turn their life around again after a disaster and take it in hand themselves. Our cash transfers grant them this freedom of choice and leave people their dignity.

What is Cash Transfer Programming – CTP?

When people are impacted by natural disasters, economic collapse or armed conflict, they need humanitarian assistance and protection. Increasingly, aid agencies are implementing Cash Transfer Programming (CTP) as part of emergency responses due to its speed, flexibility and beneficiary empowerment.

Often an ideal humanitarian reaction

According to the Cash Learning Partnership (CaLP), Cash Transfer Programming (CTP) is defined as all programs where cash or vouchers for goods or services are directly provided to beneficiaries. Although CTP can be used across emergency relief, recovery and development projects, this paper focuses on cash used to provide humanitarian assistance.

CTP runs counter to traditional assistance methods. Instead of receiving in-kind assistance such as food or blankets, people in need are given cash to cover their diverse household needs. This enables beneficiaries to spend the money in whatever ways they deem best to support their recovery. Not only does cash provide the greatest choice and dignity, it lets affected people take responsibility for their own recovery.

A maximum of choice and dignity

Previously, governments and aid agencies determined what beneficiaries needed (using consultations with affected populations happening when time allowed) and undertook the high costs and complexities of purchasing, transporting and delivering emergency supplies. This massive coordination of resources often delayed delivery. At times, affected residents also failed to receive the items they deemed most critical for their recovery, as not all people have the same pressing requirements. Some people may have an urgent need for food, while others lack shelter and still more have no means of sending their children to school. CTP emerged as a way to gain time and cost efficiencies while empowering beneficiaries to determine how to address their specific needs. Although CTP is not the best response option in every scenario, in situations where markets and needed services are available to meet urgent requirements, it is often an ideal humanitarian intervention. It is important to note that CTP is not a credit, microfinance, or savings and lending approach. Such programs can offer great gains but have very different structures than humanitarian CTP interventions, which never require repayment.

Cash-based interventions have certain characteristics based on how people qualify for the grants and how the money can be used, depending on program objectives:

+ Unconditional cash transfers give a direct grant of cash to beneficiaries – individuals, households or occasionally communities – without requiring them to do anything in return to receive the assistance.
+ Conditional cash transfers provide a direct grant of cash to beneficiaries after completion of specific actions, such as attending a nutrition screening. Cash-for-work interventions fall in this category as recipients receive a wage for work completed, usually as part of a public or community work project such as building a road or school. Beneficiaries may also receive cash after completing a training course in cash-for-training programs.
+ Unrestricted cash transfers give beneficiaries complete freedom in how they spend the money received, placing no restrictions on its use.
+ Restricted cash transfers require beneficiaries to use the money received on specific, pre-determined goods or services, such as kitchen sets, water containers or education.

Finally, agencies must decide if grants will be unrestricted multi-purpose cash transfers, aimed at covering a household's basic needs whether partially or fully, or sector-specific, targeted to cover a specific need such as shelter or education. In each situation, agencies will need to determine the best CTP modality, delivery agent and delivery method to use based on a context-specific analysis of the options available in each crisis.

▲ CTP also allows for vouchers for education.

How is the money distributed?

Agencies can provide cash transfers to beneficiaries by a variety of means: directly in an envelope, via vouchers, or as e-cash using digital distribution methods such as chip cards, which can be used in ATMs. Below you will find an overview of when which option works best.

A voucher for five kilograms of maize

Vouchers: A voucher is a paper, token, or electronic card or code (also called an e-voucher) that can be exchanged for a set quantity of cash or a set value or quantity of goods, such as 15 euros or five kilograms of maize, at participating vendors.
There are two kinds of vouchers. Value vouchers (sometimes called cash vouchers) function like cash by providing a preset value. They can be exchanged for restricted or unrestricted cash at designated delivery agents or exchanged for an equivalent amount of goods or services at participating vendors.
Commodity vouchers, restricted by nature, are exchanged at participating vendors for a fixed quantity of specified goods (for example, five kilograms of wheat) or services (for example, school fees or milling of five kilograms of maize). Agencies at times set up "voucher fairs" to bring vendors and their commodities to a central area where beneficiaries can select from restricted items, choosing for example the specific seeds or type of livestock they desire. Value vouchers typically provide greater flexibility and choice than commodity vouchers.

Cash: More and more, donors and agencies are looking to unconditional, unrestricted cash transfers to provide beneficiaries with the greatest flexibility. Cash also safeguards against beneficiaries selling vouchers in order to access cash, often receiving less than the value of goods provided. In addition, humanitarian needs can rapidly change as situations evolve, and failure to meet urgent or priority needs can trigger the use of negative coping mechanisms that may produce longer term consequences. The flexibility of cash enables beneficiaries and aid agencies to shift priorities on the spot.
Cash is also a useful intervention in protracted crises as they allow for faster humanitarian responses. Protracted crises are increasing with more than 89 percent of humanitarian aid now going to places that have required assistance for more than three years, with 66 percent requiring aid for eight years or more. CTP can offer significant efficiency gains in such scenarios by supporting ongoing cash transfers to address continued needs, such as food, rent or education. According to the Overseas Development Institute (ODI) Humanitarian Practice Network, "the question is no longer whether cash is an appropriate way to meet the needs of disaster-affected people, but how organizations, donors and governments can use cash transfers to best effect, in line with their missions and mandates."

Cash can be distributed using a variety of delivery mechanisms and agents (The aid agency or partner reimburses these agents accordingly):
+ Banks and post offices
+ mobile phone
+ microfinance companies
+ security companies and
+ local traders

Delivery methods include:
+ direct hand-to-hand delivery of vouchers or cash in envelopes,
+ delivery through banking systems,
+ use of mobile money to provide cash using mobile phone digital transfers, and
+ delivery using smart cards (also called chip cards) or pre-paid debit cards.

MOBILE COMMERCE – THE WAY IT WORKS WITH PAUL, A BENEFICIARY:

1 Account activation
Paul types in a code to activate his account and receives a message with his PIN.

2 Payment
The NGO sends Paul a electronic payment.

3 Options
Now Paul can make purchases, and deposit, withdraw, transfer or store money.

4 Purchase
Paul types in the code for "make a purchase", his PIN, the vendor's phone number and the amount of his bill.

Paul instantly receives a message with a unique transaction ID. He tells it to the merchant.

The merchant types in the code for "accept a purchase", his PIN, the transaction ID, and the amount.

In seconds, both Paul and the merchant receive the message: Transfer ok.

◂ Security in focus: Beneficiaries of the cash transfer programme always have to identify themselves.

Do aid organizations using cash transfers lose control?

Interview **"No loss of control"**

Every seventh euro with which Diakonie Katastrophenhilfe projects are supported all over the world goes into cash transfers to those in need. That leaves people their dignity, is efficient and not hard to check on. Nevertheless, Diakonie Katastrophenhilfe sometimes runs up against limits regarding cash transfer, says Martin Keßler, who heads its emergency aid programmes.

Diakonie Katastrophenhilfe Mr Keßler, does an aid organization that relies on cash transfers lose control over what happens to the donated funds?
Martin Keßler No, it doesn't. Cash-based assistance certainly does not mean a loss of guidance and control for the organization. Naturally we can decide what, where and when distribution takes place, as long as our emergency assistance consists of buying and distributing food or building materials. Yet with cash transfers we can ensure, where and how the aid is used – especially as we carefully select the beneficiaries beforehand. This works just as well as with the distribution of aid packages. In both cases Diakonie Katastrophenhilfe applies strict and elaborate monitoring systems. If for some reason, there is cause to be concerned that the money will not be used for humanitarian purposes, we can limit the range of goods by reprogramming the cash cards or issuing vouchers instead of cash. Then only certain things can be bought - alcohol or cigarettes are ruled out.

➔ Why does Diakonie Katastrophenhilfe increasingly focus on cash transfers in emergency aid?
← That is because cash transfers guarantee human dignity. I firmly believe that people can best decide what they and their families need. Cash transfers leave them this choice. They don't get anything pre-sorted. What is the point of giving a family in need an aid parcel with three toothbrushes if they perhaps already have them – but what they need is medicine?

➔ Have cash transfers a cost advantage over aid parcels?
← You can't generalise about that. Distributing food or hygiene articles through our local partners is preceded by a complicated procurement process that calls for tendering, contracts, storage, trucks and a distribution logistics – all that is time-consuming and expensive. However it is also complicated to prepare for cash transfers and guarantee that the chip card ends up with those who need it. To ensure that, you need to analyse the market, train the local partners, create a distribution system and establish an evaluation system. If these systems already exist, cash transfers are more efficient.

➔ Where do you see the limits of cash transfers?
← There are different limits and we run into them occasionally. For example, if the local people in need can't buy anything with the money because trading structures have been destroyed or the necessary goods are simply not available. Or if, in an infrastructurally disadvantaged region, it is not possible to charge, read or debit cash cards electronically. In that case, we can still distribute paper vouchers. But they need to be paid for as well – which is problematic if the area is so unsafe that it would be dangerous to send cash there and to distribute it. But I can also see political limits to cash transfer. If aid organizations have the cash transfer handled by the government of the country in which there is an emergency, that needs to be examined very carefully. Of course, advantages may arise if NGOs do not have to set up completely new distribution mechanisms. However, there is also a risk of the opposition or an ethnic minority remaining excluded from assistance in the emergency area. Diakonie Katastrophenhilfe looks very carefully at whether existing structures can be used without endangering our humanitarian mandate. A failed state must not be entrusted with distributing the cash transfer, either. Otherwise the assistance will land up with the wrong people.

➔ What do you say to critics who maintain that cash transfers are more vulnerable to abuse of funds for emergency relief?
← I can't follow that way of thinking. It is not part of my view of humanity and my long-standing experience in disaster relief – particularly because it starts from the assumption that aid is fundamentally misused by those in need in the disaster areas. That is not the case, however. People in need usually take the right decisions for their families. They set priorities and buy what they most need. No one whose family is doing badly will buy cigarettes with the money. They will do everything to ensure the survival of the family! That is also proved by international studies and our monitoring – via rechargeable pay-cards we know what products the beneficiaries have bought and what amount went where.

➔ In Germany there is a lively discussion about whether refugees should not get aid packages instead of money…
← I can't understand that debate. Worldwide aid organizations are opting for cash transfers, because they see the advantages. Only in Germany has there been a discussion about in-kind benefits, in view of the flows of refugees since 2015. That is a sad development.

Martin Keßler
Head of Diakonie Katastrophenhilfe

What do beneficiaries want?

A fundamental principle of humanitarian assistance is to involve affected people in the design of humanitarian responses to ensure needs are meet efficiently. This is also a principle Diakonie Katastrophenhilfe adheres to. Only thus can it ensure that the real needs of the beneficiaries are met. But what form of aid do they prefer?

Cash, yes please!

There are times when beneficiaries prefer or recommend in-kind support rather than cash. Reasons collected from multiple studies include transportation costs, the time or distance to market, distance to delivery points or ATMs, protection risks, cultural barriers to access and inflation rates. Affected populations often have well-informed opinions about the selection of delivery mechanisms and should be consulted accordingly.
Multiple research studies have determined that people affected by disaster often prefer cash to other forms of aid. Furthermore, the use whenever possible of unrestricted transfers for multiple purposes gives recipients complete flexibility to use the money in whatever ways they deem best for immediate emergency relief. This provides beneficiaries with the dignity of choice and puts them in charge of their recovery instead of simply being recipients of handouts.

Dignity means having a say

The preference for cash is clearly seen when beneficiaries sell humanitarian goods received, including food assistance, often at a discounted price. For example, a REACH report from 2014 (www.reach-initiative.org) shares that 60 percent to 70 percent of Syrian refugees in Iraq sold or traded in-kind food received, wasting the limited humanitarian resources used to procure, transfer, store and distribute the goods. One of the main reasons why beneficiaries sell the food or hygiene packages they receive is that governments and aid agencies fail to meet urgent or priority needs or do not adapt aid to changing conditions and the changing priorities of people in areas hit by catastrophes.
Cash transfers can also be distributed more discretely by sending grants to mobile phones or distributing prepaid debit cards instead of handing out large sacks of maize, further increasing dignity and reducing stigmatization.
An example of how different individual needs can be, is illustrated by the response of the International Federation of Red Cross and Red Crescent Societies (IFRC) to Typhoon Haiyan in 2013. The IFRC supported the Philippine Red Cross in delivering cash grants to 61,204 households within the first four months of the operation as part of their humanitarian assistance. Surveyed households said they preferred the cash to in-kind goods due to the flexibility and choice in meeting individual needs. The cash grant was mostly used by beneficiaries to cover food needs, house repair, education fees and medical expenses. However, monitoring data revealed that households also used their cash grant for a range of other needs, including hygiene items, transport, debt reimbursement and clothing. In-kind goods would have failed to address this wide and diverse range of needs.

Cash transfers, however, need to be sufficient in size to cover basic needs. For example, in the West Bank and Gaza, an ODI study in 2012 found that beneficiaries felt cash transfers were too small to cover basic household needs, especially in large families, and that they couldn't cope without additional forms of assistance. To address this issue, a growing trend

▲ CTP also allows for vouchers for construction material.

is to give beneficiaries multi-purpose cash transfers, which in a single transfer provide the partial or full amount of money needed for a household to cover its variety of basic needs.

By hearing beneficiary voices early in planning cycles – even as speed of response is of utmost urgency – agencies can ensure that the aid provided is actually what beneficiaries most desire and need. This will give affected populations even greater choice by not only having the freedom to spend cash grants as they deem best but by also having a say in if cash is a preferred method of assistance and in determining grant values. Ultimately, the more beneficiary voices are heard and respected, the more aid recipients will play an active role in their recovery.

Cash transfers & technology ++ TURKEY

A shampoo for her daughters

Most people from Syria who have fled from war in their country now live in Turkey. Yet very few of them find a place in one of the large, well-equipped camps along the Turkish-Syrian border. Nine out of ten Syrian refugees live in simple rented accommodation, also in garages, empty buildings and tents. They work, often illegally, as day labourers, earn little and cannot afford to buy much to eat. They are the focus of Diakonie Katastrophenhilfe's most comprehensive cash transfer programme.

On some afternoons, Usra Hidir wanders through the crooked alleyways of her new home, as she used to do. She enjoys the fragrance of the fruit at the market, the warmth of the sun, the shade of the old houses – here, in Diyarbakir, the walls are still standing, unlike in Aleppo. The city in which she brought her seven children into the world is only a field of rubble, after years of war.

Three years ago, the 42-year-old fled to Turkey with her father, mother, brother, sister-in-law and seven children from the war-stricken Aleppo, then the second largest city in Syria. Here they now live in sparsely furnished rooms. There are no tables, chairs or beds. If the children are tired, they drop onto the cushions lying on the floor. There they often sit; two of Usra's three sons are disabled. Yusuf, her youngest, can hardly move.

"Without the support of Diakonie Katastrophenhilfe we could not survive here," says Usra, who remains cheerful despite all the suffering she has seen, despite her concern about those who have stayed back in Syria, about the children, and the lack of prospects. Those who live outside the camp hardly receive any support from the Turkish government. They are allowed to stay in the country as guests but not to apply for asylum.

The project:

Number of beneficiaries: about 70,000 Syrian and Iraqi refugees
Project volume: Euro 10,633,000
Partner: Support to Life (STL)
Donor agencies: EU and Diakonie Katastrophenhilfe
Duration: 1 April 2015 – 30 December 2016

Most of the refugees in Turkey depend on assistance. Usra does too. She relies on the help from her landlady, a Kurd from Istanbul, who asks only a moderate rent. Or the assistance of the staff-member from Support to Life, the local partner organization of Diakonie Katastrophenhilfe. He procures medicine for Usra's sick sons, accompanies them to the doctor and serves as an interpreter. Usra also benefits from the cash transfer from ECHO, the European Commission Humanitarian Office, and from Diakonie Katastrophenhilfe.

Through this cash transfer programme Usra receives the equivalent of €18 per month for every member of the family. The money is charged onto a chip card that works like a bank card. In selected shops Usra can purchase foodstuffs like oil, milk, eggs, lentils or necessary hygienic articles. Recently she used her cash card to buy a bottle of hair shampoo – a first! She does not want to think of her sons all the time – she also has four daughters.

▲ Chip cards are widely used in Turkey for humanitarian aid. Beneficiaries can use them in selected shops to buy the most necessary food and household goods.

How long has cash been used in humanitarian assistance?

▲ Smallholder families also benefit from cash transfers – with the money they can buy seeds for their fields.

Although the provision of cash in emergencies is a new trend, it has a long history. Even 120 years ago people affected by floods in North America or famine in India received bills and coins to alleviate their suffering. Still, 2016 was a watershed year: cash transfer programming (CTP) received more support than ever before.

In the late 19th century Clara Barton, the head and founder of the American Red Cross, spearheaded the use of cash relief following the Franco-Prussian War of 1870-71 and in response to floods in Galveston, Texas, in 1900. A hurricane had previously claimed 8,000 lives. Clara Barton knew how important it was to respond quickly through her engagement in wars and natural catastrophes. She was also referred to as the "American Florence Nightingale" due to her courageous efforts. Not only had she witnessed all sorts of battles on the frontline, but also fought many a battle with bureaucrats who wanted to prevent her from bringing aid to those injured in warzones.
In the same time period, India used a type of cash-for-work program as a famine response, and in 1948, famine-affected people received cash from the British colonial administration in Sudan. Cash-for-work projects became even more popular in India in the early 1970s and in Botswana in the 1980s. The use of CTP has grown considerably in recent years. As part of the response to the 2004 Indian Ocean tsunami, many aid agencies began to use cash transfers for the first time. Since that time, CTP usage has increased in scope, scale and learning for good practice.

An option since well over one hundred years

Money for millions of people

The large-scale and protracted disasters that occurred throughout 2014 widened the gap between humanitarian needs and funding. To stretch limited resources as far as possible, agencies and donors looked to cash-based interventions. The UN Office for the Coordination of Humanitarian Affairs (OCHA) deployed a Cash Coordinator for the first time. Also the World Food Programme (WFP) has increasingly been using cash since. As part of the Syrian emergency response, more than 9 million people in Syria and neighboring countries have received cash transfers.
In March 2015, the Directorate-General for European Civil Protection and Humanitarian Aid Operations (ECHO) – the European Commission's department for overseas humanitarian aid and civil protection – developed 10 common principles for using multi-purpose cash-based assistance to respond to humanitarian needs. Instead of implementing emergency programs with a specific sector in mind, such as education or water, sanitation and hygiene, the ECHO principles promote use of multi-purpose cash grants that enable beneficiaries to address a variety of basic household needs across sectors without restriction. For example, instead of receiving a blanket and kitchen set from one agency and soap and a bucket from another, a household would receive a single multi-purpose cash grant to buy whatever emergency items they deem most necessary for their specific situation.
In the same year, the UK's Department for International Development (DFID) convened an inter-agency High Level Panel on Humanitarian Cash Transfers, which developed 12 recommendations. The first recommendation encourages increased use of unconditional cash transfers, stressing that the questions of "Why not cash?" and "If not now, when?" should always be asked. Promotion of CTP culminated in February 2016 when the United Nations Secretary-General called for cash to be the default response option in contexts wherever it is appropriate in a report for the World Humanitarian Summit.
Clearly, giving people money is now seen as an extremely valuable tool for disaster response and recovery efforts. However, the High Level Panel estimated that CTP interventions accounted for only about 6 percent of the total international humanitarian aid provided in 2014, representing an estimated 1.1 billion to 1.4 billion euro of the overall 24 billion euro total humanitarian contribution. The panel noted that UN agencies, the Red Cross and Red Crescent Movement, and NGOs have made enormous progress in institutionalizing the use of cash transfers within their organizations – a difficult task that demands significant resources to review and revise business processes. As a result, large-scale cash transfer responses are growing (the U.S. government distributed more than 7 billion euro in response to hurricanes Rita and Katrina), but cash interventions are still often smaller in size and coverage than those providing in-kind assistance.

SOME EXAMPLES OF CASH TRANSFERS

2008 agencies provided cash transfers for the first time using mobile phones as part of the post-election violence response in Kenya.

2009 smart cards delivered cash transfers in Zimbabwe. These were meant to foster economic recovery.

2010 the Pakistan government responded to flooding by distributing 1.7 million prepaid debit cards to affected people.

2011 more than 1.5 million people affected by famine in Somalia received cash via remittance companies.

2012 a social safety net program in Kenya enabled a rapid emergency cash-based response to drought.

2014 CTP accounted for 40 percent of all the humanitarian assistance provided in response to Typhoon Haiyan in the Philippines.

What are the benefits of CTP?

Cash transfers are among the most well-researched and rigorously evaluated humanitarian tools of the last decade. But who really benefits from cash transfer programming (CTP)? What are the advantages compared to other aid measures? An overview.

Customized and efficient

The inter-agency High Level Panel on Humanitarian Cash Transfers consulted renowned institutions and organizations in humanitarian aid and viewed more than 200 resources and studies evaluating the effectiveness of cash transfers. The panel's research determined that in most contexts, humanitarian cash transfers can be provided to people safely, efficiently and accountably.

The results in detail:

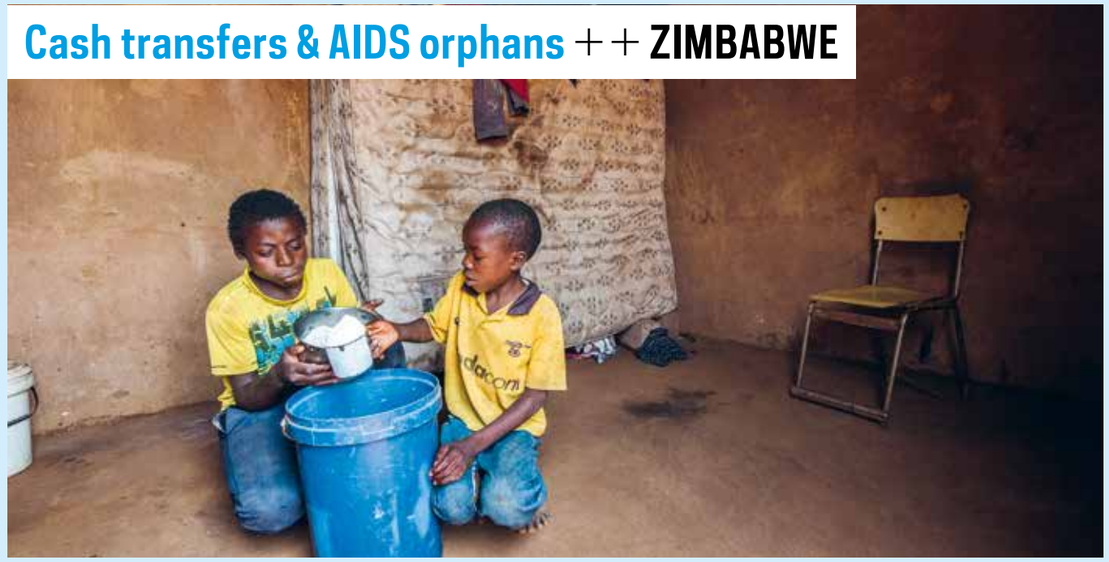
Cash transfers are cost efficient: For donors, one of the strongest arguments in support of cash is cost efficiency, particularly in light of ever-increasing humanitarian needs. Based on an analysis of ECHO project data, cash transfers when used in comparable contexts are typically more cost efficient than vouchers, in-kind transfers or the use of combined modalities. Voucher transfers have larger administrative costs, while in-kind transfers generally have higher distribution costs due to storage and delivery requirements. The High Level Panel report showed that efficiencies gained from cash programming can be significant. An evaluation conducted in Somalia showed that 85 percent of cash transfer budgets went to beneficiaries compared to 35 percent of food aid budgets. Meanwhile, a study conducted in Ecuador, Niger, Uganda and Yemen found that 18 percent more people could have been assisted at no extra cost if everyone would have received cash instead of food. Similarly, a WFP project in Ethiopia found cash to be 25 percent to 30 percent more efficient than food aid.
As the scale of CTP grows, cash-based interventions will become even more affordable – an essential evolution to stretch insufficient resources even further as needs continue to grow as the result of climate change and continued insecurity.

Cash transfers provide dignity by letting beneficiaries choose: In most cases affected populations typically prefer CTP interventions because they let beneficiaries spend cash on what they need most. Unrestricted multi-purpose cash transfers enable households to address multiple, diverse needs without delay, such as supplementary food and school fees. Cash has the added benefit of empowering affected populations to take responsibility for their own recovery by deciding how to best use emergency funds, helping to restore beneficiaries' dignity and a sense of control over their lives.

Cash transfers are more efficient: The distribution of cash reduces the likelihood that program participants might resell distributed items. This can occur if the aid packages beneficiaries receive are not particularly useful to them. They will often sell relief supplies and food at a loss to buy preferred goods and services.

Cash transfers support the local economy: Cash provides multiplier effects by supporting local production and stimulating economic recovery for an entire area instead of just for target households. The High Level Panel research showed that cash generates positive impacts on local economies without causing inflation in situations where markets are able to respond to increased demand. In contrast, poorly directed in-kind assistance can flood local markets and discourage production. Cash also supports livelihoods by enabling investment and building markets through increased demand for goods and services. CTP interventions can also promote good relations with host communities, as cash will often be spent on debt repayment or on goods in local shops, directly benefiting the local economy.
Even in light of the extensive benefits provided by CTP, some aid agencies and donors are reluctant to use cash transfers due to a number of concerns. A commonly stated objection to cash transfers is that the money can be spent on arms or anti-socially on goods such as alcohol or tobacco. Dozens of evaluations and studies have shown very little evidence to date of anti-social expenditure. Instead, research shows that people overwhelmingly buy the items they most need.
There are also concerns about security and corruption, particularly in conflict situations or in areas with predatory political economies. A background note from the High Level Panel shares that with good program design and monitoring, cash can be delivered and distributed safely, even in conflict-affected countries like Somalia and Afghanistan. Thanks to the growth of digital payment systems with online tracking of electronic transfers, cash can also be delivered in increasingly affordable, secure and transparent ways. Research shows that cash is no more prone to diversion than other forms of assistance. In each situation, however, programming decisions should be evaluated on a case-by-case basis to determine the most appropriate humanitarian response.

Cash transfers & AIDS orphans ++ ZIMBABWE



A miracle for Wonder

On no continent are there more AIDS orphans than in Africa. Most of them are not only poor but also socially isolated and without protection. Sometimes they find a new home with their relatives, but often they are left to themselves. The situation in southern Zimbabwe is particularly dramatic: here there are orphans in every fourth household – the rains have failed due El Niño, and so they have hardly anything left to eat. Cash transfers help them to survive the months until the next harvest.

His trousers are faded and patched, and the worn flip-flops that Wonder Ndou wears are his only footwear. But new clothes? "I don't need them," says the 17-year-old resolutely. Other things are more important to Wonder Ndou.

"If I had more money I would just buy more food," he says. Rice, flour, salt, sugar, perhaps also a few bags of tomato paste or onions – that would be on his shopping list. So far, Wonder Ndou, an AIDS orphan and himself HIV-positive, has had to manage with just under 19 euro per month, provided by relatives. That is just enough for a 25-kilo bag of cornmeal and a bottle of cheap oil.

In addition, he does not live alone in his bare hut made of mud bricks with a corrugated iron roof, in the Beitbridge District, southern Zimbabwe. The shy teenager looks after Courage Mapololo, his eight-year-old nephew, who is also without parents. The economic decline of the country and failed crops – because either the fields are dried out or flooded – is hitting orphans like the two boys particularly hard. The price of food has been rising for months.

Wonder Ndou was nine when his parents died of AIDS. After that he lived with his grandparents who shared with him the maize and millet that grew on their fields. Now his grandparents have died – and since then Wonder Ndou no longer goes to school. The school fees are too high. In addition, he wants to earn money as a day labourer: "If I shovel sand out of the Limpopo River we can buy more cornmeal."

AIDS orphans like Wonder Ndou will in future receive assistance from a Diakonie Katastrophenhilfe cash transfer programme. There are 95 infected children in the 400 households around Shabwe village alone. The emergency assistance reaches them or their relatives via mobile phone, and many shops in Zimbabwe accept payment by mobile phone as well. Besides the cash transfer, another project will help Wonder Ndou. Vegetable gardens are being started in the villages. Men are in the process of drilling holes in the soil in search for water for to lay out the vegetable gardens. That way AIDS orphans can grow enough vegetables and grain even during droughts, in order to have food. For Wonder Ndou that would be a miracle.

The project:

Number of beneficiaries: 600 orphan households (3,000 people)
Project volume: Euro 150,000
Partner: Lutheran Development Service (LDS)
Donor agency: Diakonie Katastrophenhilfe
Duration: 1.04.16 – 30.12.16

Cash transfers & winter aid ++ UKRAINE

A coat for Anastasiya

Since 2014, a conflict has been raging in eastern Ukraine between pro-Russian separatists and Ukrainian soldiers. As of the end of 2016, 1.7 million people have fled the conflict region and almost four million within the country depend on humanitarian assistance. They lack everything, not just food. Cash transfers from Diakonie Katastrophenhilfe give them back some hope.

The worst moment in her life, the moment of greatest fear, says Anastasiya Movchan, was when bullets from sharpshooters riddled the front door of their little house in Donezk. The 26-year-old, late in her pregnancy and alone at home with Kseniya, her firstborn, hid behind the sofa, in despair, her crying child on her arm. She and her husband Eduard lived near the airport, that in 2014 was first captured by pro-Russian separatists and then recaptured by Ukrainian troops. Since then it has been the scene of heavy fighting.

Two weeks later, Kostik was born – into a world that was no longer the one Anastasiya had known. In which bombs fell on school-yards, Russian flags were hoisted on the roof of the regional administration, fear was spreading and so was hate, after armed troops broke up the last pro-Ukrainian demonstration in the city. A world in which more and more people were dying.

Anastasiya Movchan and Eduard fled from this hell. They now live with the children in Kharkiv, the second biggest city in Ukraine, 244 kilometres away from their old home. This is now under the control of the Donetsk People's Republic, which is not recognised internationally. The four of them are among the 1.7 million people who have been displaced in Ukraine since 2014. Most internally displaced persons stay with relatives or sympathetic landlords. Or, as with Anastasiya Movchan and her family, in emergency accommodation, often prefab modular homes, which are swelteringly in summer and freezing cold in winter.

Anastasiya Movchan's is also poorly insulated, with condensation collecting on the walls and thick drops falling on the window sill. The 26-year-old no longer hangs her clothes on the hooks on the wall to stop them getting mouldy. Anastasiya Movchan now hangs their new coats over the backs of the two chairs in the room. With the aid of Diakonie Katastrophenhilfe, the family bought the warm clothes from Metro, a retailing group that cooperates with aid organizations and their cash programmes.

The soft, warm jackets were bought by electronic voucher. This is recharged every month with the sum depending on the size of the family. Each person receives the equivalent of €23. With the voucher Anastasiya Movchan and her husband Eduard can buy exactly what they need most. Food. Warm clothing. Winter boots. Everything except for one: peace.

The project

Number of beneficiaries: 8,200 people
Project volume: Euro 1,666,667
Partner: Child Well Being Fund (CWBF)
Donor agencies: German Foreign Office and Diakonie Katastrophenhilfe
Duration: 01.01.16 – 31.12.16

How safe are cash transfers?

Every aid organization must ensure that its funds do not fall into the wrong hands. That applies to the distribution of aid parcels and no less to the distribution of cash and vouchers. In both cases there is a risk of abuse – after all, food or building utensils can be sold on the market. And yet those who have made donations are particularly concerned about a possible misuse of cash transfers.

Digital payments leave traces

Diakonie Katastrophenhilfe is very well aware of its responsibility to prevent abuse. For that reason it embeds all projects in a thorough planning and monitoring system. This begins already with preparations for the aid programme, i.e. the question of "how" assistance is to be given. One example: If there are extremely malnourished children in the emergency area, Diakonie Katastrophenhilfe only opts for cash transfer when it is guaranteed that the parents can use it to buy food there. If there is no guarantee that girls and boys benefit equally from the food, then assistance is given in another, more appropriate way – for example through food parcels or vouchers with conditions attached.

In addition, Diakonie Katastrophenhilfe looks at the question of "who" is to be helped. The choice of target group is crucial for the success of the project. Local partner organizations are particularly careful when selecting people to receive cash. Different vulnerability criteria are checked, for example is there a lack of food? Can people look after themselves? Do the families have to care for old people who can no longer work? Are there pregnant women in the family who lack support? "If we ensure that those receiving the assistance are really needy then we can assume that the people use the aid properly," says Maren Platzmann, who is an advisor on cash transfers at Diakonie Katastrophenhilfe.

"Mystery shoppers" test traders

Thorough monitoring takes place during and after the distribution of money or material assistance. This prevents the misuse of the monetary aid. We check on whether the assistance arrived as planned – the path of the cash transfer is easy to track digitally. We also check on whether the implementation ran smoothly. Or whether the project has negative impacts that no one was able to predict. Staff of local partner organizations ask the beneficiaries, at the latest three weeks after distributing the cash: did you get what you were promised? What did you buy with the money? Were you able to buy what you most needed? And: did the cash transfer lead to envy and tension in your families, villages or with your neighbours?

For that reason, too, communication is important between the population of interest and the NGO: were the people in the target area able to report anonymously on how the project was going? If someone got onto the beneficiary list without justification, were they in a position to officially report that as well?

One of the most important points relative to monitoring aid is weighing up the success of the project.

Here Diakonie Katastrophenhilfe basically compares input with output: if the persons concerned have better nutrition after the dispensing of cash then Diakonie Katastrophenhilfe knows that this was the right thing to do. Likewise we can compare the statements of those interviewed about whether, and how, they used the vouchers for education with the actual figures for new pupils or the number of those completing their schooling. "If there is a difference here that is discussed with the beneficiaries – and the project design is adapted," says Maren Platzmann.

It is also important to research whether the cash transfers led to the traders raising prices – or whether commodities became scarce.

Also "mystery shoppers" – members of the partner organizations who pretend to be beneficiaries – test whether the traders violate the agreements made with them. For example, if a trader complies with a shopper's request to buy cigarettes instead of bread, he or she is excluded from the programme.

▲ Checking ID cards protects from abuse

Money for terrorism?

Cash transfers by aid organizations to those destitute people in conflict areas are a risk, warns the Financial Action Task Force. This is an intergovernmental organization that fights terrorism and money laundering, and consequently monitors states and banks. It takes the view that this money could also be used to finance terrorism and regards aid organizations as particularly vulnerable to abuse by terrorists – particularly when money or aid parcels are distributed in conflict areas.

Is this concern justified? Aid can, in fact, be misused. The channels through which money flows are often very difficult to track down. That also impacts on the bank transfers of humanitarian organizations. Since financial institutions are increasingly under pressure to check their clients for potential connections with terrorism or corruption, many banks are no longer willing to take on cross-border transactions for NGOs working in critical regions.

Such anti-terrorism measures sometimes restrict the work of aid organizations. Requirements of banks like "Know Your Customer" bring humanitarian organizations to realise their limits. With many thousands of beneficiaries it is simply impossible to know them all. In addition, aid organizations are called upon to select recipients of funds neutrally and in an unbiased way: the only criterion is that the assistance goes to the most needy of the civilians affected by the conflict – independently of whether they are on the side of one or another political group or party to the conflict.

Through its careful planning and selection process, Diakonie Katastrophenhilfe sees to it that the humanitarian assistance does not fall into the wrong hands, and that building materials are used for houses and not for bunkers. Strict criteria for the selection of beneficiaries are applied, along with the final auditing of who received assistance – and what they did with it.

How to determine the best response?

Flexibility is key

The question today no longer is if cash transfers are legitimate – but rather, how they can best be used in an emergency context. Agencies need to determine the best humanitarian response based on beneficiary needs and operational contexts on a case-by-case basis in any given emergency situation. Whenever local conditions allow, unrestricted cash should be used for greatest efficiency, flexibility and beneficiary empowerment. If the conditions are not right, food parcels, vouchers, toilets, showers – or a combination of all of these – may be more usefull.

How does an aid agency assess what the most appropriate humanitarian intervention is in case of an earthquake in country X or drought in country Y? Here decision trees, such as those developed by ECHO or DFID can help.
Key aspects NGOs need to consider when making their evaluations include, among others: are markets available? What is the security situation on the ground? Are cash payments possible? What are beneficiary preferences? And can these needs be met in the form of relief supplies?
The first questions to ask relate to the emergency situation. Agencies must identify the needs of the affected population and ascertain if they can in fact be met through specific commodities and/or services, such as education and health services. At times, alternative interventions, such as advocacy campaigns, are needed instead. In addition, in select cases a government may not allow cash transfers, so the legal framework will come into play.
If needs can be met by resource transfers, and cash transfers prove to be culturally and politically acceptable in the local context, program context and objectives need to be taken into consideration. For community services such as health or a clean water supply, technical interventions will likely be necessary. This may also be true for projects with very specific objectives, such as addressing acute malnutrition in infants. Food, non-food items and even shelter needs, however, may be best addressed by cash or vouchers. As part of this programmatic assessment, staff on the ground should determine if cash-for-work programs are appropriate and feasible.
Next, the local markets must be assessed, as any kind of resource transfer, whether cash or in-kind, may impact markets and local economies. Markets and supply chains need to be functioning for cash-based transfers, and targeted beneficiaries must be able to reach the markets. The market assessment must also demonstrate that there is sufficient supply of needed commodities or that traders will be able to increase supply accordingly. The quality of available goods should be evaluated, as well as the risk of inflation in the prices of key goods. Conversely, for in-kind transfers, agencies must evaluate the risk of deflation in the prices of key goods, as in-kind food and other commodities can disrupt local production cycles. Where risks are identified, indirect market support may attenuate their impacts.
Agencies will also need to assess related security issues for beneficiaries, agency staff and host communities, as well as the needs and risks of specific vulnerable groups, such as the elderly, pregnant women or child-headed households. Organizations have a responsibility to ensure that the chosen programming methodology is the most secure and inclusive type of intervention.
Another critical area for evaluation is the preferences of affected populations. Not only should beneficiaries have a say in the type of intervention implemented, they should also provide feedback about transfer values, whether cash or in-kind.
Once an agency determines that cash transfer programming is the best response, operational decisions need to be made, including the amount required to meet project objectives, the most suitable transfer modality, preferred delivery agents and methods, and distribution timing and cycles. Again, these decisions should be made in consultation with target beneficiaries.
Although cash interventions should be prioritized whenever feasible, past experience has shown that the combination of cash and in-kind assistance is often the most appropriate response in emergencies. In urban contexts with functional markets, most assistance can be channeled through cash-based interventions; in camp settings where market opportunities may be limited, the combination of in-kind and cash-based interventions is likely to be the most viable option.

▲ Cash transfers allow beneficiaries to make their own dietary choices

Cash transfers & reconciliation ++
CENTRAL AFRICAN REPUBLIC

Against hunger and pain

The Central African Republic (CAR) is still the scene of unrest. Christian militias fight against Muslim militias, shepherds against farmers, soldiers against rebels and the conflicts in Chad and Darfur have also spread into the country. The civilian population suffers most in this situation. Cash transfers from Diakonie Katastrophenhilfe alleviate people's hunger. And reconciliation projects ease their spiritual pain.

The place where people learn to "unlearn" their hatred is in the heart of Africa. Seven traders have gathered in Gamboula, a little town in the southwest of the Central African Republic. The partner organization of Diakonie Katastrophenhilfe has brought them together. The products they advertise - manioc, onions, soap, saucepans, T-shirts - lie on tarpaulins to protect them from the red dust.
"It's like a real market, we can choose what we buy ourselves," says Charlotte. She is pleased - here she feels a bit less dependent than when having to queue up behind a truck to try and get hold of an aid package. By contrast, at the provisional market of Gamboula she holds several paper vouchers. She can exchange them for things that she and her loved ones need most - it is her decision.
Here, on the dry square and in the blazing heat, Charlotte, a Christian, also runs into Muslims. In the CAR every second person is a Christian, and only one in ten inhabitants is Muslim, many of them traders. Muslims above all live in the West and North of the country. These are forgotten regions, without hope, despite the rich mineral wealth as poor as the rest of the country. Séléka, an Islamic rebel alliance, also comes from that region. In 2013 it succeeded in staging a coup, which triggered a bloody conflict between Christians and Muslims. On their way into the capital, the rebels plundered Christian villages, raped women, murdered men - whereupon Christian militias sprang up, attacking the Muslim villages, raping and killing just as brutally. 2014 saw a drop in the number of Muslims living in Central African Republic. In 2016 the situation there is still chaotic but many refugees are returning, including traders. Besides food, soap or diapers, the refugees all receive vouchers to buy the most necessary items. This happens regardless of their religion, to nip any envy in the bud. Every second person in the country relies on humanitarian aid. There is a shortage of everything: food, schools and seed.
There is also a lack of peace. Time and again, conflicts break out between Christians and Muslims. Not everyone who was a victim is willing to forgive the perpetrators. For that reason too, the topic of reconciliation plays a big part in the Diakonie Katastrophenhilfe projects in CAR. Anyone who participates in the cash programme has to attend courses in which they learn to resolve conflicts. To mediate before the conflicts escalate in the family, but also with neighbours who simply believe in another God.

The project

Number of beneficiaries: 7,500 households (about 45,000 people)
Project volume: Euro 244,000
Partner: Lutheran World Federation (LWF)
Donor agencies: German Foreign Office and Diakonie Katastrophenhilfe
Duration: July 2016 - September 2017

How do NGOs plan cash transfers?

Interview **“Masts for a mobile phone network are quick to put up”**

Offering the best assistance – that is the goal of Diakonie Katastrophenhilfe with each of its humanitarian missions. Yet how does an NGO manage to develop appropriate assistance? Only through good programme planning and needs analysis, says Michael Frischmuth. He heads the Asia unit at Diakonie Katastrophenhilfe.

Diakonie Katastrophenhilfe Mr Frischmuth, why is needs and response analysis so important in a case of disaster relief?

Michael Frischmuth Because only then can an aid organization react rightly and supply the disaster-affected people with what they really need and how they need it, i.e. either cash transfers or aid supplies – or both. Naturally immediate emergency relief is always crucial in the case of an earthquake, as this is a matter of ensuring survival, of delivering basic goods such as water, food, medicines and tents. The immediate access to markets is most probably not possible in earthquake areas in the first few days and weeks. But as soon as people have food and a roof over their head, an aid agency should ask: how can we best help? With aid packages – or with cash transfers? Do people in the disaster area need only food – or also building materials? The need varies: on one day the family needs food to still their hunger. On the next day perhaps medicine for a child.

▲ What is it you need most? – this is the question employees of Diakonie Katastrophenhilfe ask all families in need.

→ What goes wrong if this analysis is not made?

← It may happen that the aid organization does not supply what is needed and that it does not use funds efficiently. Anyone who does not think about how to help in the best way easily falls into activism. Such assistance is oriented not to demand but to supply – and they cart what they have into the emergency area. But that is not necessarily what people on the ground need. If the need is calculated wrongly, conventional aid can also ruin the local market, e.g. the business of small traders selling lentils – who can’t sell them anymore, because the aid organization delivers lorries full of food. And cash transfers do not work if there is no market or the person has to walk five kilometres to the next shop. In short: without a profound analysis of needs, an organization can neither define its goals and make plans, nor measure at the end what it has achieved. And yet Diakonie Katastrophenhilfe has an obligation to account for its actions to both its donors and the aid recipients. A genuine needs analysis protects it from abuse as well: superfluous goods in an aid package tend to be sold to third parties. It is also very important that the aid organization treats all groups needing help in the disaster area in the same way – not on the motto: this refugee gets something, the host or the host village does not. That only causes envy and conflicts.

→ How does an organization find out how it can best reach those in need?

← First it has to check out the context: where am I? What is the situation like at the local level – after the earthquake in Haiti it is quite different to the war-torn country of Syria. What opportunities does my organization have to activate help in a meaningful way – without harming the local markets? And also: what infrastructure and equipment is needed to enable cash transfers to be made on the basis of electronic vouchers sent by mobile phone? In fact, a great deal is possible here, even in remote regions. Masts for a mobile phone network are quick to put up.

Michael Frischmuth
Programme officer Asia at
Diakonie Katastrophenhilfe

Cash transfers & market build-up ++ DR CONGO

Cash against hunger

The Democratic Republic of Congo (DRC) is seeing more and more gruesome massacres. Dozens of armed groups are fighting each other in the second largest country of Africa, whose population is mainly poor, despite its great mineral wealth. Since autumn 2014 the people suffering most have been in the region around the city of Beni in eastern Congo. Rebels are killing people with machetes, knives and clubs – and displacing many thousands of people in other regions of the country. Without their homes and their fields, the internally displaced persons lack all sources of income and food. Cash transfers prevent them from starving.

Marie Agnes was working in her field when her neighbours called: “The rebels are coming!” During their last attacks they had already kidnapped her cousin and niece, and brutally murdered others from her village. With her husband, their three children, grandmother and an uncle, she ran into the forest. They fled with only the clothes they had on. Most people in DRC work as smallholders. They live from the sale of their harvest. “Once they flee they have lost everything,” says Lwanzo Beti Gédéon, project manager of PAP-RDC, the local partner organization of Diakonie Katastrophenhilfe. How are they to buy supplies tomorrow? How are they to pay the children’s school fees? The families rely on humanitarian assistance.

In a pilot project the UN’s World Food Programme, Diakonie Katastrophenhilfe and its local partner organization are cooperating for the first time with a Congolese bank. It pays the beneficiaries cash in up to three cycles. That way Marie Agnes and her family can look after themselves. They can also prepare familiar dishes. And they can, above all, buy fresh food such as vegetable or fish, which aid organizations do not normally distribute.

It is 9 in the morning and the sun is already high. Marie Agnes sits under a big shady tree with some other women who, like her, have fled their homes. With a voucher in her hand, she will have to go through several checks of her identity. In the end, she will receive the equivalent of a little more than six euro per family member in local currency – enough to feed the family for two weeks. Enough also to buy some medicines for the children as well. “And to repay some debts,” says the young woman.

Some day Marie Agnes would like to return to her home village, to till her field and become financially independent as before – “but only when there is peace again.”

When that will be, no one can predict. “At present,” says Lwanzo Beti Gédéon, “we don’t even know what will happen during the next night.”

The Project

Number of beneficiaries: 18,750 households (about 94,000 people)
Project volume: Euro 1,350,000
Partners: Programme d’Appui au Développement des Populations Forestières en RD Congo (PAP-RDC)
Donor agencies: UN World Food Program (WFP) and Diakonie Katastrophenhilfe
Duration: June – end December 2016

Cash transfers & health ++ IRAQ

Healthy food

Shiites, Sunnis and Kurds have been fighting for power and territory in Iraq for many years. The situation in the country became even more fragile after the US military forces invaded in 2003 – and the self-styled "Islamic State" (IS) went from strength to strength. In summer 2015 its fighters pushed forward from Syria into the areas in Northern Iraq inhabited by Sunni, Kurds, Yesidis and Christians. Over three million people were forced to flee. Thanks to donations made to Diakonie Katastrophenhilfe many of them do not need to go hungry.

On most days mother and daughter go to the market together. Kuli Kamal Khider (43) enjoys the hours when she is alone with Naveen Dakheel Abdal, who is 14 and her youngest. In the refugee camp they are never on their own. Mother and daughter also walk to the market side by side because they swore in summer 2014 never to lose sight of each other.

That was when their village was attacked by the IS. The terror militia had proclaimed a "caliphate" in Syria and Iraq. For weeks, Yesidi men, women and children were kept in the Sinjar Mountains, where members of the terror militia murdered, raped and starved them. In 2016, a UN commission pronounced it genocide. Yesidi, say fundamentalist Muslims, are infidels.

Kuli Kamal Khider and Naveen Dakheel Abdal only just escaped the attempt of IS to wipe out the religious minority they belong to. Some people were able to blaze an escape corridor in the mountains with the support of Kurdish militia.

Today mother and daughter live in Ba'adra in an overcrowded refugee camp in the Kurdish area of Iraq, with thousands of other refugees. They can survive there and have enough to eat thanks to the food vouchers worth the equivalent of €15 a month.

Diakonie Katastrophenhilfe and its partner organization REACH distribute the vouchers to the internally displaced persons. They can then shop in certain food markets, which keeps body and soul together.

The food vouchers give Kuli Kamal Khider, the mother, the choice of what products to buy. And that way she can feed the family today, in a strange area, cooking the same food as they used to eat at home. Sometimes even more healthy food: every time a voucher is distributed for the first time it is accompanied by a leaflet, written by a dietician. It says what foods contain a lot of vitamins, proteins, minerals. Twice a year a doctor gives nutrition training as well. Kuli Kamal Khider has not missed that a single time.

The Project

Number of beneficiaries: 1,550 families (about 9,300 people)
Project volume: Euro 2,000,000
Partner: REACH Iraq
Donor agencies: German Foreign Office and Diakonie Katastrophenhilfe
Duration: 1.2.16 - 31.1.18

Cash transfers & accommodation ++ JORDAN

A safe home

Not all refugees live in camps. Most of them have left their homes because of a war, a natural disaster or a general lack of prospects and they find shelter in wretched accommodation, in tents on the outskirts of the city, in garages or empty buildings. That is also the case for Syrian families who have had to flee to Jordan from the war in their country. Diakonie Katastrophenhilfe's "cash for rent" project helps them to find far from their old home a clean, safe place to stay. And perhaps a new home as well.

The paint is flaking off the wall, patches of plaster are missing, mattresses lie on the floor, strewn with a few cushions – the rented accommodation in which Syrian Mohammad Adeeb lives with his family in Jordan is much plainer than the lovely house that they had to leave behind in the southern Syrian city of Dara'a, not even 90 kilometres away. And yet these rooms are home to the 42-year-old and his family. Their home, simple but safe.

The twelve of them – Mohammad Adeeb, his wife, who has cancer, plus two daughters, his six sons and his parents – now live in Zarqa. Ten years ago this was a city of 450,000 but it has now grown considerably with the arrival of the Syrian refugees.

The family fled from Syria in summer 2012; Mohammad had been shot in the leg while he was harvesting vegetables in his field. He does not know who fired the shot. But one thing was immediately clear: he had to take his family to safety. To Jordan.

There Mohammad Adeeb cannot officially work. So the family is dependent on aid from the United Nations and international aid agencies such as Diakonie Katastrophenhilfe, like most of the several hundred thousand refugees living in Jordan, half of whom are under 18. In some villages and towns there are already more people who have fled from Syria than local residents. Most of the refugees have to contend with rising debts and can only manage one meal a day.

Thanks to the "Cash for Rent" project, Mohammad Adeeb was able to rent two rooms – no more, as accommodation is short in Jordan. Most of the Syrians seek protection in neighbouring states and often end up in huge tent camps.

Mohammad Adeeb and his family say that they were lucky, despite the hardship: "Because the grant covers the rent we can use the little money we have to buy medicine, to cook for ourselves, and to send the children to school instead of to work," says Mohammad Adeeb. His eldest son has been attending a technical college for a few months now. He is studying tourism for when the war is over.

The Project

Number of beneficiaries: 1,000 Syrian and Jordanian families (about 6,000 people)
Project volume: Euro 480,000
Partner: International Orthodox Christian Charities (OCC)
Donor agencies: German Foreign Office and Diakonie Katastrophenhilfe
Duration: October 2015 - October 2016

Cash transfers & flood relief ++ DEUTSCHLAND

Emergency aid – close at hand

Diakonie Katastrophenhilfe's biggest cash programme to date has not been in some faraway place, but right here in Germany. Victims received money for emergency assistance and reconstruction in two cases – the 2016 flood in Simbach, Bavaria, and the widespread flooding in several German federal states in 2013. In a rich country like Germany, too, that left them their dignity and choice.

It was towards noon when the first wall of water sprang up from the sewer manhole cover outside the house. Hubert Six (84) was not really worried – it can happen that the pressure of rainwater raises the lid from its anchoring. But when he looked out the window in the top storey and saw how the Simbach stream was becoming a river, and the river a tidal wave, he knew, "this rain will be devastating". 15 minutes later the backyard was under water, then the garage – and two hours later the water level in his sitting room had risen to the height of his chest. "That happened so fast that we had no time to rescue anything," says Hubert Six. "It was all ruined." Only the glassware for special occasions, stored right on top of the cupboard, was saved.

On June 1., 2016 a flood of sludge and dirt swirled through the town of Simbach on Inn. It tore along doors, tables and cars, even women and men. Five people died because they could not leave their house in time, including one of Hubert Six's neighbours. His daughter and grand-daughter, who lived next door, were able to escape. "My son-in-law turned up in a rowing boat," says Hubert Six. Before that it had rained nonstop for seven days.

Months after the flood Hubert Six stands in his office – looking fit and friendly. A computer and printer stand on the table, but the room is unheated, and the walls have lost their plaster. The widower cannot sleep in his own home, that was built in the 1960s. It is uninhabitable and partly contaminated. The worst thing was not the water, says Hubert Six. It was the dirt it carried, the faeces, the waste and chemicals from the surrounding fields.

Hubert Six and other flood victims received enormous support from Diakonie Katastrophenhilfe. Yet others helped as well – relatives, neighbours, even unknown people – many volunteers turned up straight after the flood with brooms and shovels, Hubert Six recalls. "They asked whether they could help. Some stayed two days, others four weeks – it was amazing." He had not expected such great readiness to lend a hand.

The families received up to €1,500. With this money they bought clothes, mattresses, crockery – and a bit of furniture. They could decide themselves, and Diakonie Katastrophenhilfe got the receipts. Hubert Six concludes: "Being able to choose things yourself is more dignified. Otherwise we would have had to beg."

The Project

Number of beneficiaries: 2,500 beneficiaries of flood aid in Germany since 2013
Project volume: Euro 11,000,000
Donor agencies: Diakonie Katastrophenhilfe and several Social Service Agencies of the EKD
Duration: 2013 - 2016

Where do organizations find out how CTP works?

Interview **"A never-ending learning curve"**

Cash transfers can greatly improve the lives of refugees, displaced persons or victims of natural disasters – provided that they are used at the right place and by competent organizations, says Maren Platzmann. She is an advisor on cash transfer programming (CTP) at Diakonie Katastrophenhilfe. Yet how can an organization prepare to distribute cash? What does it have to know and look out for? Here is some practical advice:

Diakonie Katastrophenhilfe Ms Platzmann, CTP is a humanitarian aid instrument that is becoming more and more popular – but is it also an instrument for every aid organization and emergency intervention?

Maren Platzmann No. Whether the use of cash transfers makes sense depends on many factors. For example, cash transfer programming cannot replace technical or medical emergency relief. In addition, there are markets and local circumstances. But every organization should at least check to see whether it can achieve added value in the respective programme through cash transfer. The size of the NGO is not the main factor in that respect. What is more important is whether the project objective matches the circumstances in the country. And of course, whether the organization is well-informed about CTP.

→ And if it is not?

← Then there is no guarantee that the disaster-affected people will be offered the best possible support. If an organization does not support its staff in considering CTP when planning its programme it may happen, for example, that despite functioning local markets, despite financial infrastructure and despite an appropriate security situation food is imported from abroad with great effort and at great expense.

→ Can that be prevented?

← Yes, by organizations constantly learning more. And by engaging with new opportunities and lessons from the past of humanitarian assistance, building up professional expertise regarding CTP and revising workflows so that the use of cash transfer works smoothly. All departments, from Programmes to Finance, Logistics to Monitoring and Evaluation, have to know what is needed to implement CTP effectively and efficiently.

→ How does an organization best tackle this learning process?

← As the first step, the organization should look at where it stands, where it is already well informed or where there are still gaps. Diakonie Katastrophenhilfe carried out this assessment process with the support of Cash Learning Partnership (CaLP), an international network on the topic of CTP. Once the organization knows where there is a need for learning and action it can offer targeted training sessions: staff of the Logistics department have to be trained differently for CTP than say, PR people or local project personnel. Another important thing is that CTP should be built into all the organization's standardized workflows, for example application forms should also ask about the possibility of cash transfer. Furthermore, as usual, it is crucial that the organization evaluates the aid projects and deliberately deals with what went wrong, or – conversely – what went particularly well. That way we discover what kind of humanitarian aid most assists the people on the ground, and under what conditions. The NGO can then take such results into account with future projects.

→ Does the exchange with other organizations help with this learning curve?

← Yes. Diakonie Katastrophenhilfe works closely with Welthungerhilfe, Plan International Deutschland and Caritas international. Donors like the German Foreign Office or the European Union also promote these learning processes. CaLP also collects the international experiences and reports from NGOs, the International Red Cross and Red Crescent Movement, the United Nations and donor agencies. So every organization does not need to reinvent the wheel. There are plenty of CTP guidelines and advice leaflets – users just need to adapt them to their own needs.

→ Where does Diakonie Katastrophenhilfe stand on this learning curve?

← Still almost at the beginning. But we have gained our own experience with cash transfer and developed a training plan and programme, which we are now following. Basically it is a never-ending learning curve.

For more information:
Cash Learning Partnership (CaLP)
www.cashlearning.org

Maren Platzmann
Advisor on cash transfer programming at Diakonie Katastrophenhilfe

What is CTP for the humanitarian system?

Challenge and chance

Catastrophes are increasing across the globe. Therefore it is imperative that agencies implement the most efficient responses possible to stretch limited resources even further to reach as many people as possible addressing their real needs. The use of cash transfers makes this possible, but at the same time, this demands significant structural changes, challenging the humanitarian system.

Currently, most humanitarian programming is done by sectors – such as food security, health or education – with sector clusters bringing agencies together to help guide responses by sharing guidelines and best practices. Although this model helps to harness sectoral expertise, it can lead to inefficiencies when trying to meet all of an affected population's needs. For example, food may be distributed one day by one team while emergency blankets are provided the following day in the same community by different staff members.

The use of multi-purpose cash transfers allows for cross-sector assistance because unrestricted cash grants let beneficiaries determine and purchase what they most need. Sectoral responses or technical support are still needed for essential services like water and health, but basic household needs can often be addressed more efficiently through unconditional, unrestricted cash grants.

CTP interventions often fit uneasily into traditional organizational structures. If the best response is to determine the amount of money affected people need to survive and begin recovery, the primary focus is to deliver that cash in the most efficient way possible. A single agency can lead the effort, with multiple agencies assisting when technical expertise is required or the response region is quite large. This runs directly counter to traditional response efforts where each agency competes to address specific sectoral needs.

A rising concern is that the humanitarian system will adopt cash without changing internal structures. For example, in Lebanon in 2014, more than 30 different aid agencies provided cash transfers and vouchers for 14 different objectives, ranging from winterization to food to legal assistance. It would have been more effective to support the beneficiaries with unrestricted multi-purpose cash transfers.

The truth is that disaster-affected people do not think in terms of sectors. They focus solely on what they need to get their lives back to normal, and unrestricted cash grants provide recipients with the greatest flexibility. Cash helps to align the humanitarian system with what people need rather than what humanitarian organizations are mandated and equipped to provide.

This breaks the long tradition of governments and organizations deciding what people need – and assuming that affected populations cannot be trusted to make sensible decisions themselves. In addition, cash can run counter to domestic policy considerations or preferences by agencies to use stockpiles of in-kind goods, not to mention long-standing policies and traditions about how to provide in-kind assistance.

▲ CTP-planning is based on the needs of people suffering from hardship.

Do cash transfers change the role of NGOs?

Less top-down and more bottom-up

Cash transfers should play an even more important role in emergency aid in future. To this end, international aid agencies will have to pass on some tasks to local partners. They will still be relevant.

The call for large-scale unrestricted cash transfers will require changes in the way international and local NGOs implement emergency programming. According to a report of the interagency High Level Panel on Humanitarian Cash Transfers, which was convened by DFID, organizations will need to move from a patchwork of grants, vouchers and in-kind aid for different sectors to consolidated cash transfer responses delivered through stronger, locally accountable systems.

This will also mean that donors will need to support cross-sectoral programming, and aid agencies will need to defer to organizations best placed to lead the emergency response in each situation. As always, adherence to the four core principles of humanitarian action – humanity, impartiality, neutrality and independence – must serve as the foundation for all interventions.

To support this shift in programming, international and local organizations must build the knowledge and skills required to implement large cash responses. This will not happen overnight. What is more, in cases of emergencies, NGOs will have to be prepared to make joint assessments, response analysis and monitoring. This will increase efficiency and drive more coordinated response efforts. The High Level Panel report also notes that agencies and governments must work together to embed the use of cash transfers in preparedness and contingency planning. This will also make emergency aid more effective.

Cash transfers require a new form of thinking

Whenever possible, agencies should use existing infrastructure and systems before building new ones. The participants of the World Humanitarian Summit of 2016 also emphasized this. They called this need out specifically in one of five core responsibilities identified: working differently to end needs, which includes reinforcing, not replacing, national and local systems. This will involve strengthening the linkages between humanitarian cash transfer and social protection systems and practitioners. By mainstreaming CTP in national disaster preparedness efforts, governments will be able to implement cash at scale. Humanitarian financing practices will also need to undergo a series of reforms to remove barriers to access for local and national actors – a greater challenge for NGOs. As local organizations are placed at the center of humanitarian responses, international humanitarian organizations will shrink in size – an evolution humanitarian players should see as positive progress rather than a threat. International organizations will still have a significant role to play within the humanitarian system, but the aim is for local organizations to strengthen their role as first responders, supported by outside organizations that can step in if situations exceed local capacities.

▲ In close contact: Martin Keßler, Head of Diakonie Katastrophenhilfe, with members of the local partner DGB in Somalia.

CTP enables aid organizations to …

+ reduce costs,
+ improve coordination,
+ break down counterproductive divisions between sectors and interagency sector clusters,
+ work more effectively with the private sector,
+ make humanitarian aid more transparent,
+ make the system more accountable to its beneficiaries.

Cash transfers & disaster prevention ++ MADAGASCAR

After the flood is before the flood

Diakonie Katastrophenhilfe does not only go into operation during a humanitarian emergency. It also engages in disaster prevention. Here it focuses mainly on the consequences of climate change – since 2008 an annual average of 26.4 million people have fled from extreme weather events like flooding and droughts. Every euro invested in prevention saves a multiple of the costs of reconstruction after a disaster.

Anyone living in Madagascar is used to heavy storms. Above all during the European winter months, thundery squalls buffet the second largest island state in the world. Then rivers rise above their banks, sea water salinises fields and crops, slopes become landslides and houses collapse. Three tropical tornados per year generally spin across the northeast of the island and the corridor to Mozambique, and every few years there is a cyclone.

Cyclone Chedza was particularly devastating. Sweeping over the north of the poor country in early 2015, at up to 100 kilometers per hour, it soaked the dykes. 80 people died and 55,000 lost their homes. The cyclone caused economic damage estimated at 37 million euros, particularly in and around the capital Antananarivo, that is criss-crossed with canals and almost swampy. At the same time, the south of Madagascar was suffering a drought with farmers losing their harvests and people going hungry.

Diakonie Katastrophenhilfe's project started after the cyclone and expired in early 2016. It focused mainly on reconstruction. 1,650 smallholder families, whose fields had been destroyed by floods, received cash through a bank cooperating with us. That way they were able to regenerate their fields, and buy fertilisers, seed and seedlings. Through the same bank, over 1,800 families who had become homeless, received cash to repair and rebuild their houses, an equivalent of 76 euro per household. Setting up a voucher system would have been too expensive.

In addition, Diakonie Katastrophenhilfe's local partner organization advised the families on how they could farm their land more sustainably and adapt better to the climate. Today rice is again growing on the fields that cyclone Chedza submerged. In the lowlands around the capital the houses are now more robust. The people, too, are better protected from new cyclones. 500 volunteers were trained in disaster protection, and equipped with torches and boats. These volunteers now know how to warn others when a storm or flood is brewing – a yellow pennant means danger is imminent and a red pennant that disaster has struck. They have learned how to evacuate people, including those who are fragile, and to usher them to a protective building. That way the communities are better protected against future storms and cyclones. Now they can prevent some of the damage caused by earlier storms. After all, in Madagascar after the flood is always before the flood.

The Project

Number of beneficiaries: 3,450 households (about 20,000 people)
Project volume: Euro 300,000
Partner: Eglise de Jésus-Christ à Madagaskar (FJKM/SAF)
Donor agencies: EU and Diakonie Katastrophenhilfe
Duration: July 2015 - March 2016

Better resilience through CTP?

Cash strengthens the weak

It is an important goal of humanitarian aid to increase people's resilience. The more resilient people are, the better they can cope with crises.

Everybody is affected by crises, but every person has a different way of dealing with them. While some may be shattered by a crisis and don't find a way to live with it, others may also not give up after a war, a natural disaster or other trauma. These people have developed a way to carry on. Psychologists refer to this ability as resilience. Resilience can also be strengthened through savings or owning the most important goods.

ECHO, the European Union's humanitarian branch has defined resilience as "the ability of an individual, a community or a country to cope, adapt and quickly recover from stress and shocks caused by a disaster, violence or conflict."

Resilience initiatives typically fall outside of emergency programming, as their aim is long-term stability not short-term relief. However, cash transfers can help build resilience as part of humanitarian responses, recovery efforts and longer term development projects, further blending the lines between these previously distinct interventions. A key aspect in doing so is providing cash transfers with values significant enough to enable households to effect lasting change.

Better prepared for catastrophes

An example: if people have no savings, they are very vulnerable to shocks, thereby being less resilient. They may resort to selling off key household assets like pots, tools, livestock or even roofing sheets. By building their asset base and savings, they build resilience to weather future shocks.

An ODI study examining the evidence of cash transfers found that receipt of a "guaranteed and predictable source of income can help households lift liquidity, saving, and credit constraints, enabling investment." The report also found, unsurprisingly, that the greater the amount of the cash transfer, the greater the productive impacts. Predictability and reliability of payments also enhance beneficiaries' risk management capacity and planning. In addition, the study found that "perceived (implicit) or actual conditionality linked to human capital objectives can reduce impacts on productive outcomes." Finally, evidence showed that complementary interventions positively impact productive outcomes.

A separate good practice review from ODI finds that the impact of cash transfer programming on productive investments in emergencies depends crucially on the amount of cash that is given, when it is given and the wider constraints people face. Typically in emergency relief scenarios, money is most likely to be spent on immediate basic needs, such as food. ODI notes, however, that when situations are less acute or when more generous cash transfers are provided, cash can help stimulate productive investment, such as buying livestock or setting up small shops. In addition, while some aid recipients may use grants solely to cover urgent needs, others may be able to invest in income-generating activity, moving along the path of self-recovery. While additional support and services are required, ODI notes that cash grants can help people to re-establish successful livelihoods. Cash transfers also make beneficiaries active participants in their own recovery, helping them to build the skills and assets needed for future resilience.

▲ Cash transfers strengthen families' resilience.

Can CTP use existing social safety nets?

Aid agencies could make use of pre-existing social programs more often for the distribution of cash to beneficiaries than they currently do. This would save time and resources, but this can also entail risks.

Aid shared is twice the aid

Social programs ranging from health and social insurance to unemployment benefits can be found in many countries, not only in Germany. With the rise of cash transfer programming, there has been increased discussion within the humanitarian system about forging links between humanitarian assistance and social protection measures. Social protection, as defined by the Cash Learning Partnership (CaLP), encompasses the actions carried out by the state or privately to address risk, vulnerability and chronic poverty – the regular assistance governments provide to poor households. Traditionally, such programs have been siloed from humanitarian response activities to maintain a clear separation between government programs and emergency interventions. With the rise of CTP, however, agencies are seeing ways cash can be used with social safety nets, a subset of broader social protection systems that target the most vulnerable.

Existing social protection programs providing cash present the opportunity to deliver emergency assistance more quickly when disaster strikes without having to build parallel humanitarian systems. For example, following Typhoon Haiyan, the World Food Programme leveraged a social protection program using cash: the Pantawid Pamilyang Pilipino Program (4Ps) in the Philippines. 4Ps provides money to poor households if they comply with a set of conditions related to their children's wellbeing. Through the 4Ps, WFP gave almost 6 million euros to the Department of Social Welfare and Development to 'top up' the usual 4Ps transfer with 28 euros for households affected by the typhoon. More than 500,000 people benefited from WFP tapping an existing safety net to address the basic needs of disaster-affected people through an emergency grant.

Using existing social protection programs is also sensible in protracted humanitarian crises. In drought-prone areas, humanitarian relief is often provided for many years and even decades, such as in Ethiopia and northern Kenya. Civil unrest can also result in protracted crises, such as the situation in the Occupied Palestinian Territories, creating the need for long-term social protection strategies. To reduce repeated spending on large volumes of humanitarian aid, donors and aid agencies are looking to longer-term safety net interventions as a better way of dealing with chronic poverty, food insecurity and destitution.

Aid organizations save time and resources if they can use pre-existing social safety nets in case of catastrophes – building a distribution system is costly and time consuming. The flip-side is that households that are not part of the social protection program may become disadvantaged. Governments and aid agencies must work together closely to ensure that only disaster-affected people within an existing social protection program receive emergency aid and also make sure to reach disaster-affected people who are not part of existing programs.

Humanitarian agencies need to take into consideration that social protection programs may at least be partially driven by political incentives due to the central role of national governments in program design – for example to secure votes. They should respond accordingly to ensure that all emergency response efforts are truly needs-driven.

▲ NGOs could also use the social system on the Philippines. With cash transfers people could buy rice.

For any given social protection program, governments and private partners need to first determine if cash-based transfers are an appropriate modality. Considerations include market conditions, intra-agency coordination, and if target beneficiaries can easily access proposed delivery agents. Longer-term programs emerging from emergency responses may also be able to leverage cash transfer delivery mechanisms previously set up as part of a humanitarian response.

If a humanitarian organization wants to use pre-existing public social safety nets for its money transfers, it should ensure that the countries are able to:

+ re-establish social assistance payments following disaster;
+ increase funding during a disaster to reach more people or people in different areas;
+ directly make payments to people affected by disasters;
+ channel and distribute the organizations' aid.

What is the future of cash transfers?

As local as possible

Global humanitarian needs keep growing, but funds are falling short, resulting in aid cuts despite an enormous increase in humanitarian funding over the last 15 years. A reason for this is that natural disasters and wars have increased concurrently – and with this, the number of those in need. Therefore it is all the more important that NGOs stretch limited funding and use it more efficiently.

More humanitarian funding – at the same time an increase in catastrophes: A UN report thus summarizes this situation: “Never before has the world been so generous towards the needs of people affected by conflicts and disasters, and never before has generosity been so insufficient.” For example, in 2015, 1.6 million Syrian refugees received reduced food rations and 750,000 Syrian refugee children could not attend school. In the same year, the report shares, nearly half of the United Nation’s emergency appeals were not fully funded.

Flexibility must increase

Faced with exponential growth in emergency needs, the humanitarian system needs to overhaul its approach to providing aid. Bureaucracy must be reduced, and flexibility must increase. CTP promises lower costs and greater efficiencies, but large-scale programs remain rare. Moving forward, to stretch euros further, agencies need to heed the UN Secretary-General’s call for use of cash whenever situational contexts allow.

Individual governments, donors and aid agencies, however, are still reluctant to use CTP. The procurement and provision of in-kind goods are still favored in emergencies. Most emergency programming is also currently done by sector, such as shelter, water, food and education. Use of multi-purpose cash transfers distributed to cover beneficiaries’ basic household needs, reduces the need for large, non-technical sectoral responses, challenging the current organizational structure.

Fortunately, the humanitarian system is starting to shift gears. Many agencies are advocating for increased use of cash to reap related efficiency gains. NGOs and UN agencies have invested in institutional capacities and human resources to implement cash transfer programming, adapting procedures to determine the best response option and manage humanitarian CTP projects. Although many donors were initially reluctant to endorse cash-based programs, over the past five years they gradually have become more supportive and, in some cases, active promoters. For example, the British Department for International Development (DFID) is asking partners to explain why they are not using cash rather than asking why they are; the U.S. Office of Foreign Disaster Assistance (OFDA) is funding projects using cash grants, cash for work and vouchers; and ECHO explicitly includes cash transfers in its humanitarian food assistance policy and supports capacity development within aid agencies.

In a promising move, the World Humanitarian Summit in Istanbul (May 2016) acknowledged the potentially transformative power of cash-based programming, particularly in empowering affected people, giving cash transfers a boost. Ninety-nine individual commitments focused on scaling up cash programming and funding in humanitarian crises and using multi-purpose cash transfers wherever feasible.

For example, the organization Mercy Corps pledged to increase cash-based assistance by 25 percent. An additional 399 commitments demonstrated support for the concept of “as local as possible, as international as necessary” as the de facto rule for crisis response.

Also at the summit, 18 donor countries and 16 of the largest aid organizations endorsed the Grand Bargain, a package of more than 50 humanitarian funding reform commitments. The Grand Bargain includes commitments to provide 25 percent of global humanitarian funding to local and national responders by 2020, increase un-earmarked or softly earmarked funding to 30 percent by 2020, impose fewer funding restrictions for greater response flexibility, increase cash-based assistance to affected people, and increase multi-year funding to ensure greater predictability and continuity in humanitarian response. This enables NGOs to make longer-term plans, especially in protracted crises, such as in South Sudan and to better link their aid with development oriented approaches.

Furthermore, the Grand Bargain acknowledges the need for efficiency gains in the face of a woefully under-resourced global humanitarian response system. It calls for innovating and collaborating with new and existing partners, including the private sector.

Private companies can help to expand use of digital payment mechanisms – the preferred method of cash delivery. They can provide use of open and shared payment systems between humanitarian organizations. MasterCard for example works together with humanitarian actors in some crises. As this is a given: if in future they want to implement large, unrestricted cash transfers, governments, international aid organizations, local NGOs and the private sector will have to cooperate more closely than has previously been the case.

More information:

INTERNET

Cash Learning Partnership
www.cashlearning.org/english/home

Cash in Emergencies Toolkit, International Red Cross and Red Crescent Movement
www.rcmcash.org

STUDIES

„Doing cash differently – How cash transfers can transform humanitarian aid” – Report of the High Level Panel on Humanitarian Cash Transfers, Overseas Development Institute, september 2015.
www.odi.org

„Cash transfers: what does the evidence say?” – A rigorous review of programme impact and of the role of design and implementation features, Overseas Development Institute, july 2016
www.cashlearning.org

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www.cashlearning.org

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