



## **'Cash transfers and the future of humanitarian assistance'**

### **1. Introduction & Objectives**

This note sets out a proposal for a 1h 15min side event during the ECOSOC Humanitarian Affairs Segment in July 2013.

The side-event will be co-organised/co-sponsored by the Cash Learning Partnership (CaLP) and the Government of Switzerland. Originating from the will to gather the lessons learnt from the Tsunami emergency response in 2005, the CaLP is today composed by Oxfam GB, the British Red Cross, Save the Children, the Norwegian Refugee Council and Action Against Hunger / ACF International. The five steering committee organisations have come together to support capacity building, research and information-sharing on cash transfer programming as an effective tool to help deliver aid in times of crisis. Switzerland started to build up its own cash transfer capacities already in the 90s. Since then and despite some of the early criticism that cash was more likely to lead to corruption, misuse and insufficient gender balance, Switzerland has been strongly advocating the appropriate use of cash transfers.

The side-event has the following objectives:

- To provide Member States (and other interested parties) with an enhanced knowledge of the history, utility, and current thinking and practice of cash transfers in emergency response, as well as its potential future directions.
- To help attendees to understand the role of Member States and affected communities in emergency cash transfers – now and in the future – including in the establishment and management of their own programmes.
- To highlight the role of cash transfers in bridging humanitarian assistance and development, including discussion of the potential synergies between cash transfers and resilience building, Disaster Risk Reduction (DRR) and protection.
- To provide attendees with the opportunity to raise any concerns and ask questions about the use of cash transfers in emergencies.

The side-event will be run in a panel format, with a short introductory presentation by the CaLP and SDC, followed by contributions from panellists that represent the diversity of actors involved in the planning and implementation of cash transfers in emergency response.

### **2. Background and open questions**

There is growing recognition that cash transfer programmes (CTPs<sup>i</sup>) can be appropriate, effective and flexible tools to support populations affected by disasters to meet multiple needs in ways that can<sup>ii</sup>:

- Maintain dignity, and promote choice and empowerment. The use of CTP recognises that beneficiaries are best placed to determine their own needs, and so can help enable a more needs-based, people-centred and empowering approach to humanitarian assistance, than in-kind.
- Promote resilience. As well as helping to reduce negative coping strategies, CTP stimulates local economies and markets and can have important multiplier effects – and so can be supportive of early recovery and long-term development efforts.
- Facilitate access. Particularly when used in combination with innovative delivery approaches and new technologies, CTP can enable assistance to reach vulnerable households even in highly insecure environments.
- Support national systems and strengthen partnerships for effective humanitarian response. Engaging local actors and systems such as the national private sector and affected states' social safety net systems in the delivery of CTP can help build on states' own systems and strengthen their capacity to respond to emergencies quickly, effectively, and in line with good practice in humanitarian response.

As a result of the growing recognition of its potential benefits, and in part enabled by increasing confidence in the use of CTPs, new technologies, and engagement with the private sector, organisations are turning to CTP more and more in humanitarian response, and at increasing scales. For instance, since 2010 Oxfam has implemented CTPs at scale<sup>iii</sup> in four large scale emergencies. WFP plans to provide 40 per cent of its food assistance in the form of cash and vouchers (this would equal over US\$1 billion) by 2015. Currently 7 per cent of WFP interventions are in CTP with a value of approximately US\$ 340,000,000.<sup>iv</sup>

In addition, there is a growing interest among existing and emerging donors as well as affected states to support appropriate cash and voucher based interventions. For instance:

- According to OCHA FTS data, funding for emergency CTPs shows an upward trend, with a peak in spending in 2010 of US\$188.2 million.<sup>v</sup>
- Between 2007 and 2010, DG ECHO saw an increase of 20 per cent of the number projects from NGOs including a cash component. They have also recently removed the €100,000 ceiling for funding to individual grantees implementing unconditional cash grants.
- In response to large-scale flooding in 2010, the Government of Pakistan worked in partnership with UBL Bank and Visa on an ambitious programme to deliver unconditional cash transfers for flood recovery to over a million households.

- Government and private sector engagement in cash support post emergency is likely to increase based on recent trends, especially as more developing countries – such as Niger, Ethiopia and Kenya – establish social safety nets or retool existing ones to make them responsive to shocks, with the support of donors such as DFID, USAID and the World Bank.
- Since the 90s, Switzerland has been increasingly using cash transfers in emergency and post emergency situations in more than 25 countries.

Despite progress in acceptance and use, cash transfers are not yet routinely considered as a means of delivering emergency assistance at large scales. To enable this, some of the areas requiring improvement include market assessment and response analysis, preparedness, and coordination of the cash response, as well as the humanitarian sector’s ability to work across sectoral boundaries and accept risk.<sup>vi</sup> At the same time, the attitudinal shifts and resources required to make the necessary organisational changes so that procedures, systems and processes ready for CTP should not be underestimated.<sup>vii</sup>

Additionally, along with increased uptake of CTP in emergencies, marked shifts in the humanitarian landscape are occurring or expected, such as the rise in number and complexity of disasters (and so needs), as well as the type of actors engaging in humanitarian response.<sup>viii</sup> For instance, greater roles for affected states and actors from the private sector are anticipated. These and other shifts will likely impact how humanitarian actors will need to engage in response and with one another, including those that implement, fund and influence emergency cash-based assistance.

In this vein, some key issues to explore and discuss include:

- How is CTP currently being used by different actors in humanitarian response? What are the benefits and risks? What has been the role for Member States – both as affected states and as funders of emergency response? For instance, are CTPs a first step to invite Member States in creating their own safety net program and facilitate the transition between emergency and development?
- What are some of the challenges and opportunities for routinely considering CTP at large scale in emergencies? How are humanitarian actors – including Member States and large implementing organisations – starting to approach or address some of these?
- What does the future of CTP look like, given expected changes to the humanitarian landscape? What sort of partnerships will be required?
- Is the international humanitarian system ready for the expected shifts in the humanitarian landscape and for implementation of CTP at scale? How can Member States facilitate these shifts?
- In order to avoid recurrent crisis, is it practically feasible to integrate DRR, Resilience Building and Protection perspectives within an emergency program that is using CTPs?

### 3. Content

#### 3.1 Opening address – Government of Switzerland (Rudolf Gsell) and CaLP (Sara Almer)

A brief presentation to set out CTP practice and learning to date, which will include beneficiaries’ experiences of emergency CTP and reference emerging insights from ongoing CTP-related research.

#### 3.2 Moderated panel discussion

The session moderator will outline the structure of the panel session, and ask in semi-structured form a series of relevant questions (see above) of the following panellists:

- Manuel Bessler, SDC Vice-Director, Delegate for Humanitarian Aid and Head of the Swiss Humanitarian Aid Unit (SHA)
- Annalisa Conte, Head of the World Food Programme’s “Cash for Change” Unit
- Fran Equiza, Regional Director, Horn, Eastern and Central Africa, Oxfam
- Florika Fink-Hooijer, DG ECHO Director for Strategy, Policy and International Cooperation
- Ambassador Zamir Akram, Permanent Representative of Pakistan to the United Nations in Geneva

#### 3.3 Open forum questions

Following (and building on) the moderated panel discussions, audience members will have the opportunity to ask questions and make statements.

#### 3.4 Summary

The moderator will provide a summary of the session’s discussions.

<sup>i</sup> CTPs are related to the use of cash or voucher modalities within humanitarian programmes.

<sup>ii</sup> See e.g. Harvey P. And Bailey S. Good Practice Review 11: Cash transfer programming in emergencies. ODI/HPN and CaLP, June 2011.

<sup>iii</sup> I.e.: reaching 100,000 beneficiaries or more.

<sup>iv</sup> Pers. comm., A. Conte, Cash for Change, WFP.

<sup>v</sup> Global Humanitarian Assistance, Tracking spending on cash transfer programming in a humanitarian context, Briefing, March 2012, <http://bit.ly/N8vnm>.

Spike in spending in 2010 is in part due to significant funding from the United States as well as a mega disasters in Pakistan and Haiti.

<sup>vi</sup> Austin L and Frize J (2011); ‘Ready or Not? Emergency Cash Transfers at Scale’ Commissioned and published by CaLP <http://bit.ly/RxOU2J>.

<sup>vii</sup> For instance, WFP’s Cash for Change initiative which was launched in 2008 is not scheduled for completion until 2015 (with systems, processes and staff in place for large scale deployment envisaged for 2013) (Austin and Frize 2011).

<sup>viii</sup> See Humanitarian Futures Programme, and Oxfam 2012 ‘Crisis in a new world order’.

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