

hpg

Humanitarian
Policy Group

Cash Transfers in Emergencies Good Practice Review

Sarah Bailey

**Humanitarian Policy Group
Overseas Development Institute**



Presentation overview

- Background on GPRs
- Why a GPR on cash transfers?
- GPR scope
- Good/bad practice
- Practical advise
- Conclusions – the big picture



Background on Good Practice Reviews

- GPRs provide practitioners with *guidance and good practice on key humanitarian sectors, tools and issues*
- Published by Humanitarian Practice Network (HPN)
- Past topics: food security interventions, Disaster Risk Reduction, operational security management, and temporary settlement

Why a GPR on cash transfers?

- Last few years = a significant increase in the number of projects using cash transfers and vouchers; many reports/evaluations; several guidelines
- Need to update and centralise guidance, including examples from recent experience
- Link this guidance with real-world examples
- Fill in gaps where new lessons are emerging
- Demand

Scope and content

- Rationale/mapping of current cash transfer actors
- Determining the appropriates of cash
- Planning/design
- Implementation
- Cross-cutting issues
- Sector-specific issues
- Cash issues from revised Sphere handbook (to be added)

Cash good practices v 'generic' good practices

- GPR process highlights a challenge of 'cash learning': understanding what is specific to cash transfers and what is generic good practice in humanitarian programming
- Humanitarian actors should always use assessment and analysis to determine appropriate responses
- Examples: market analysis, accountability, gender, corruption

Top ten bad practices

1. Blindly moving forward to with cash programming
2. Not 'thinking through' the type of activity (e.g. automatically opting for vouchers)
3. Not considering gender dynamics, participation and other generic good programming
4. Thinking of cash risks in isolation
5. Not doing contingency planning
6. Setting transfer values not linked to objectives
7. Not taking into account inflation when setting transfer values
8. Lack of communication between finance and programming departments
9. Re-inventing the wheel
10. 'Pilot' mentality

Grey areas

- Market analysis – how to balance common sense and in-depth analysis
- Taking beneficiary preference into account – not easy
- Much more to learn about: national government responses, linking with social protection.

Simple advice

- Do a contingency planning process and incorporate cash transfers as an option
- You don't need 'cash experts' but you do need to understand any capacity gaps and make cash resources available to staff
- Don't get paralysed or overcomplicate cash programming
- Use CaLP D-Group for programming questions

Conclusions, trends and the big picture

1. Cash transfers provoked some debate as they gained steam in 2004-2007 but they are now generally accepted as a tool in the humanitarian tool box .
2. Cash programmes are well-documented - information on practice there but dispersed
3. Cash is increasingly used but in-kind assistance still vastly dominates in terms of \$\$.
4. NGOs and Red Cross have led the way, with donors and most UN agencies playing catch-up (some exceptions, like SDC)
5. Very few donors have explicit policies regarding cash. In practice sometimes held to higher standard.
6. Cash has helped drive (or coincided with) development of better market assessment resources, like EMMA.
7. Formation of cash-specific coordination groups is new (Haiti, Pakistan, Somalia, DRC).
8. UN agency mandates discourage UN agency use of unconditional grants that cross sectors.
9. Most cash responses by aid agencies still relatively small-scale compared to in-kind responses, but governments have done large-scale responses.
10. There is much to learn from government led responses, particularly regarding scale.

hpg

Humanitarian
Policy Group

Thank you

Contact information

s.bailey@odi.org.uk

GPR Publication – June 2011

