



THE CASH LEARNING PARTNERSHIP

DIRECT CASH

A QUICK DELIVERY GUIDE FOR CASH
TRANSFER PROGRAMMING IN
EMERGENCIES

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QUICK DELIVERY GUIDE: DIRECT CASH IN EMERGENCIES

NECESSARY PRECONDITIONS

- ✓ The NGO or delivery agent must have sufficient cash flow, staff, logistics and other resources to make the cash payments.
- ✓ A secure place can be organised for the cash to be distributed. The security context allows beneficiaries to safely access the point of payment (PoP) and spend the cash on their needs.
- ✓ The context needs to be secure enough for money to be transported without risk to staff or the delivery agent.
- ✓ Cash is acceptable to local authorities, communities and other stakeholders.
- ✓ No official identification is needed.

DESCRIPTION OF THE PAYMENT METHOD

For 'direct cash' (or 'cash in envelopes') as a payment method, beneficiaries are provided with money by an NGO or a delivery agent. Delivery agents may be money dealers, local traders, hawaalas, remittance agencies, microfinance institutions (MFIs) or banks.

Features of Direct Cash

Elements of the Payment Process		Features of Direct Cash
Creation of database		A paper-based or electronic database can be used. If fast set-up is required, then a paper-based database can be used. However, this makes it more difficult to check for duplication.
Method of identification and authentication		Beneficiaries do not need official identification (such as a national identity card) to receive cash. However, some form of identification should be used to ensure that beneficiaries meet the targeting criteria and are not duplicate beneficiaries (double registration). Beneficiaries could be checked against a database (e.g., household list by village administration) or be identified by a community leader. Authentication at the PoP could be using an NGO identity card, registration card or 'token', or identification by community member.
Currency		Cash
Point of Payment (PoP)		A pre-organised cash distribution point. E.g., a village, a camp, a remittance office or a bank branch. Ensure good organisation & waiting conditions for beneficiaries.
Reporting and reconciliations		Easy reporting and reconciliation if an electronic database (such as Excel) is used. Records need to be kept for cash that is not claimed. Monitor the process

	and make adjustments if necessary.
Promotion, training, communication, customer support	A brief session is required with beneficiaries to explain what the cash is for and how much is being provided. Information will also need to be provided to other stakeholders, such as local authorities and community leaders, bank staff, and delivery agents as applicable.

ADVANTAGES AND DISADVANTAGES

	ADVANTAGES	DISADVANTAGES
Timing, preparedness and partnerships	Fast to get up and running in an emergency. No beneficiary training is required on how to use the payment method. Agreements with delivery agents can be made with as part of preparedness.	If delivery agents are used, then time will need to be taken for the agents to be vetted and agreements to be signed.
Scale, flexibility and resilience	Can be operated on a large-scale. Payment levels can be varied with each payment. Resilient enough to continue providing cash as long as there is enough hard cash and there is a secure PoP.	Unlike phone banking or ATM cards, cash needs to be distributed for each instalment. Depending on the context, there may be security risks to staff or delivery agent in transporting and distributing the cash. There may be increased risk of theft / corruption

		with staff handling cash.
Costs	Often a low-cost payment method, as no equipment is required (such as phones, scanners or cards). Depending on the delivery agent used, the charges may be low.	Counting cash (and placing in envelopes) and distributing it is labour intensive, time consuming, repetitive and risky. If repeated payments are required, there is the cost (time and money) of repeated distributions. Staff or volunteers may need to be situated at the PoPs of delivery agents (e.g., remittance agency or banks) for crowd control, helping beneficiaries, and verifying / witnessing the payments.
Vulnerable groups	No literacy or numeracy is required. No official form of identification is needed, therefore less likely to exclude groups such as children, women and elderly. PoPs can be set up close to the beneficiaries, ensuring that women, elderly, and chronically ill are	

	more likely to be able to receive payment unassisted.	
Urban versus rural	PoPs can be set up in either urban or rural settings.	There is more likely to be a good range of shops in urban centres.

QUICK TIPS

- Decide on what verification (e.g., registration card or token) is needed for beneficiaries at the PoP and notify the beneficiaries beforehand.
- Use small denominations, especially in remote / rural areas.
- Consider staggering payment times and dates when dealing with high numbers of beneficiaries to reduce waiting time and stress.
- Develop security management plan that minimises risk to beneficiaries, staff and the delivery agent. This may include varying transportation routes, payment times, and staff.
- Ask beneficiaries to count the cash as they receive it to ensure that they receive the right amount. Placing the cash in envelopes allows for easier distribution. In some contexts, this may also provide more dignity to beneficiaries. However in some contexts delivering cash openly may increase transparency and deter diversion of funds.
- Use various methods including information sessions and communication materials (posters, information sheets)

to communicate targeting criteria, grant amount and purpose, and any conditions or restrictions.

- If using a delivery agent, ensure that relationship with the delivery agent is maintained. Several tips on how to work with a delivery agent:
 - Agree on how many beneficiaries they are willing to pay each day (e.g., 300 beneficiaries each day) and stay within that limit.
 - Stagger the distributions over several days and over several hours.
 - Provide staff and volunteers at the PoP to help with communication and crowd control.
 - Agree on how the delivery agent will report on the payments that are made (preferably using a spreadsheet for easy reconciliation).
 - Providing waiting areas for beneficiaries and set aside special waiting areas for groups with special considerations (women, the elderly).
 - Agree that there will be staff, volunteers or community representatives who are present to verify or witness the payments being made.

EXAMPLES OF THIS PAYMENT METHOD BEING USED

- In response to the 2010 earthquake in West Sumatra, Oxfam GB and Save the Children among others distributed shelter and livelihoods grants using direct cash. The PoP was established at the back of a local bank office. Other delivery mechanisms included using the post offices.
- In 2009-2010 WPF through Concern Worldwide distributed direct cash to beneficiaries in rural Zimbabwe. Cash grants were distributed once a month for 5 months, and amounts varied based on local market prices for cereals, beans and oil.
- In response to Typhoon Ketsana, which devastated areas of the Philippines in late 2009, Oxfam GB distributed direct cash to 10,000 families in the immediate aftermath of the crisis.
- In 2009, Help Age International distributed direct cash grants to 1,000 older persons (70+) affected by the Padang earthquake. The grants (US \$32 per person) were unconditional but intended to be used for non-food items. Direct cash was considered the most appropriate distribution method for the target age group.

ALTERNATIVES TO THIS PAYMENT METHOD

- Cash cheques can be used as an alternative to direct cash.

RESOURCES AND FURTHER READING

CaLP (2010) *Delivering Money: Cash Transfer Mechanisms in Emergencies*

Harvey, P. and Bailey, S (2011) *Good Practice Review 11: Cash Transfer Programming in Emergencies*, (ODI/CaLP).

ICRC/IFRC (2007) *Guidelines for Cash Transfer Programming* (ICRC/IFRC), Section A.7

Sphere Project (2011) *Humanitarian Charter and Minimum Standards in Humanitarian Response*

The CaLP is the Cash Learning Partnership of Oxfam GB, Save the Children, the British Red Cross, Action Against Hunger / ACF International and the Norwegian Refugee Council.



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NB: This is a living document and we are always eager to hear your ideas, comments and feedback on how we could make it better.

For more information, or to provide feedback, please contact: info@cashlearning.org.

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