

A case for cash: crisis and disaster-affected populations' perspective

Summary

As the number, scale and duration of humanitarian crises increase, the provision of cash to affected people and communities presents a number of opportunities for more effective and efficient programming. The means by which such opportunities can be maximised is a source of ongoing debate involving a wide range of traditional and non-traditional actors. This short paper considers the perspectives of those directly affected by crises – the recipients of cash transfers in humanitarian settings. At a time of broad consultation around cash transfers, canvassing the perspectives of affected persons as those pioneering the use and effectiveness of cash in crises situations can only strengthen the effective evolution of cash transfer programming.

When faced with a disaster of any sort the needs of people and their communities can be great and are always diverse. They rapidly evolve over time and can vary considerably across regions. Failure to meet urgent or priority needs can trigger the use of negative coping mechanisms that may produce longer term consequences. Cash can provide the flexibility and capacity to choose and consequently is highly valued by beneficiaries in most contexts, who appreciate the possibility to allocate cash according to current priorities at the household level.

Whilst preference for cash is commonly reported, preferences are never similar within an affected area or population, and factors such as fear of inflation, distance to markets, perceived protection risks or cultural barriers to access can nuance those preferences. This paper outlines some of the existing evidence and a follow-up report will be developed which will summarise a more open dialogue with recipient households in three currently ongoing humanitarian contexts. By asking open questions the report will aim to identify principal concerns, ideas and perspectives in order to strengthen the discussions underway regarding the future of cash transfer programming.

Introduction

Cash transfers are now widely accepted as an appropriate response modality in emergencies. While cash transfers were initially confined to small-scale programmes, largely within food security and livelihoods programming, implementing agencies have progressively pushed these boundaries and have been consistently exploring new avenues to best respond to the whole range of needs facing crisis and disaster-affected communities. Humanitarian programmes are increasingly designed to account for the multiple uses of cash transfers by recipients across sectors¹.

¹ 30% of cash transfers reported in the Cash Atlas (a cash transfer mapping tool) are multi-sectoral.

Although internationally recognised standards such as the Sphere standards² and the recent Core Humanitarian Standards³ acknowledge the affected population's central role in the design of humanitarian responses that efficiently meet their needs and support their recovery, this often remains neglected due to other operational imperatives. As revealed by WHS consultations in the Middle East and North Africa⁴, “people did not feel that aid organizations adequately consider their opinions when planning and delivering humanitarian relief”. Yet supporting affected population by providing a sense of self and community efficacy should be part of the “intervention principles that should be used to guide and inform intervention and prevention efforts at the early to mid-term stages”⁵.

This resonates with findings from a compilation of aid-recipients' testimonials⁶. “Fundamentally, people say, the message conveyed when assistance comes is that they will be provided for until real development occurs. The message is that they are objects, not subjects, of assistance. Cumulatively, over time, international assistance—as it is now given—engenders passivity and undermines initiative. People in many places feel that aid feeds dependency and powerlessness”. By giving affected communities an active role in meeting their needs, cash transfers can provide independence, support existing capacities and reinforce resilience.



Photo: Caroline Gluck/Oxfam

“I am a survivor of Ebola. I contracted this virus when I went in rescue of a little child who has lost seven members of his family. I am going to buy some clothes because I destroyed some of my clothes. I need a lot of fruits, I need to build myself. I want to go back on the ambulance to help my Liberian brothers and sisters.”

Foday Gallai, ambulance driver and recipient of unconditional mobile cash grant (Liberia 2014; ICRC)

² The Sphere Project (2011), ‘Sphere Handbook: Humanitarian Charter and Minimum Standards in Disaster Response’.

³ Core Humanitarian Standard, ‘Core Humanitarian Standard on Quality and Accountability’.

⁴ WHS (2015), ‘Preparatory Stakeholder Analysis - World Humanitarian Summit Regional Consultation for the Middle East and North Africa’.

⁵ Hobfoll, S., Watson, P., Bell, C., Bryant, R. A., Brymer, M. J., Friedman, M. J., Friedman, M., Gersons, B. P. R., de Jong, J. T. V. M., Layne, C. M., Maguen, S., Neria, Y., Norwood, A. E., Pynoos, R. S., Reissman, D., Ruzek, J. I. and Shalev, A. Y. (2007), ‘Five Essential Elements of Immediate and Mid-Term Mass Trauma Intervention: Empirical Evidence’, *Psychiatry*, 70(4).

⁶ Anderson, M.B., Brown, D. And Jean, I. (2012), ‘Time to listen. Hearing People on the Receiving End of International Aid’. *CDA Collaborative Learning Projects*, Cambridge, Massachusetts.

Cash transfer programming is assumed to offer greater choice and promote dignity and empowerment. Although guidance can be provided on how households could spend it responsibly, the fungibility of cash itself enables households to determine for themselves. Dignity and empowerment have been more difficult to analyse, but qualitative evidence suggests that cash transfers do indeed provide more of these aspects in humanitarian aid. For example, in sensitive situations where recipients may be at risk of stigmatisation, cash transfers may offer a more discreet option for providing support. Furthermore, providing cash transfers imparts the respect and ownership of decisions to recipient households, acknowledging their capacity to decide what they need. This work explores the appropriateness of cash transfers as a part of humanitarian action from the perspective of targeted recipients, those affected by crises.

This paper considers the questions people have been asked and their engagement in programme design, as well as their evaluation of relevance and appropriateness of multi-purpose/multi-sectoral cash transfers to date. It concludes with what we know, some of the limitations in utilising this data and poses open questions for more open dialogue on the issue of cash transfers and their transformative potential.

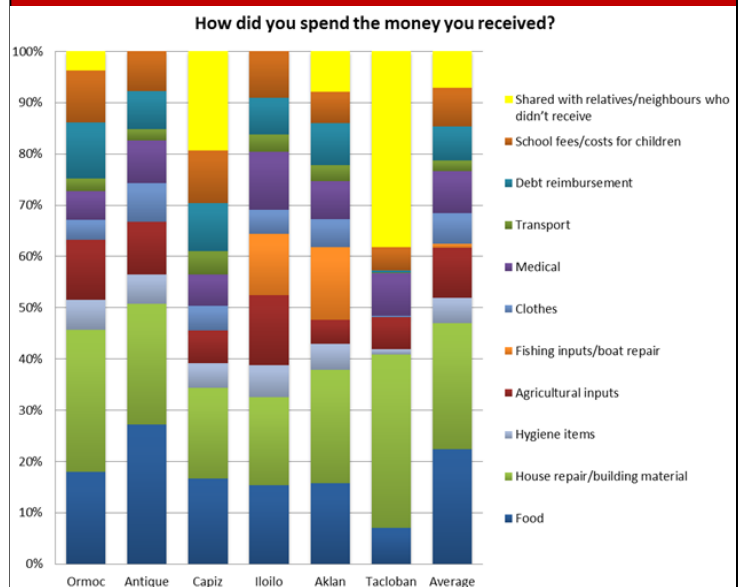
Impact, choice and expenditure

Evidence on the use of cash transfers to meet project objectives has been a considerable focus of the humanitarian community over the past decade and their wide utilisation is well documented. It is here where the case for choice and flexibility has been made. The varied use of cash responds to and highlights the complexity of the needs faced by affected communities such as food, shelter, debt repayment, heating, fuel, medical and educational expenses, agricultural input, transport, water and sanitation, clothes, livelihoods and redistribution outside the household to neighbours and relatives^{7,8,9}. While the standardisation of and narrowness of in-kind assistance

Box 1: IFRC's Typhoon Haiyan response

In response to Typhoon Haiyan, the International Federation of Red Cross and Red Crescent Societies (IFRC) supported the Philippine Red Cross in delivering unconditional cash grants to 61,204 households within the first four months of the operation as part of their humanitarian assistance.

Households broadly indicated that they were happy with cash and would prefer it to in-kind goods due to the flexibility and choice in meeting individual needs. The cash grant was mostly used to cover food needs, house repair, education fees and medical expenses. However, monitoring data reveals that households also used their cash grant for hygiene items, transport, debt reimbursement, clothing and even shared with relatives/neighbours who didn't receive. This highlights the wide range of needs the cash grant addressed and the heterogeneity of needs across regions that wouldn't have been addressed through in-kind (see graph below for details on expenditure).



Source: Holman, C. (2014). 'Case study: Unconditional cash transfers response to Typhoon Haiyan (Yolanda)'. IFRC.

⁷ Oumarou, I. (2013), 'Les transferts monétaires dans la commune de Roumbou', *LASDEL, Études et Travaux*, 107.

may only enable fulfilling a limited portion of the spectrum of needs and may pose problems to segments of the population for cultural or other reasons¹⁰, cash transfers allow the affected population to choose the desired items or services.

The use of cash can vary greatly over time, highlighting an important benefit of such flexible form of aid. Several factors can explain differences in the use of cash including varying seasonal needs^{11, 12, 13}. Hence for example in the case of agricultural communities, whereas cash transfers may be used to purchase food during the lean season to partly fill the hunger gap, its use may change after harvest and include aspects such as debt repayment or celebrations¹⁴. For instance after a cash transfer in Niger, some recipients purchased sacrificial lambs to prepare for *Tabaski* or *Eid al-Adha*. The purchase of the animal is considered both a religious and social obligation which would otherwise have been possible only by selling part of the harvest or by borrowing. Therefore, the use of cash aid for that purpose should not be perceived as “inappropriate” as they would have incurred this expenditure regardless, but could do so without potentially incurring debt which could have a negative longer term impact.

Cash transfers can also play a significant role in reducing negative coping strategies^{15,16}. This is particularly the case in contexts where affected populations have limited autonomy and options due, not only to their lack of resources but also to their legal status such as in refugee settings.

Box 2: Winter Cash Assistance to Syrians Refugees in Lebanon

From November 2013 to April 2014, UNHCR and partners implemented a multi-sectoral cash transfer programmes to help Syrian refugees in Lebanon cope during the winter time.

When asked for their preference between cash and in-kind assistance, above 80% of respondents cited cash only as their preferred form of assistance against 5% favouring in-kind only, the 15% remaining preferring a mix of both. Respondents were also recipients of food voucher from other sources, which arguably increased the willingness to receive a more flexible assistance to cover other needs.

The correlation between the distance to market and the preference for in-kind assistance indicates that the latter is largely driven by the high travel costs, in both monetary terms and in terms of time spent is a major factor.

While the programme undoubtedly played a significant role in satisfying winterisation needs, it only met part of those needs while most of the cash transfer was used on non winterisation items. The evaluation notes: “beneficiaries spent a small proportion of their cash assistance on winter goods because their income and savings are so low that they are forced to use the cash partly to satisfy other more essential or immediate basic needs, in particular food and water.” Achieving the objective of keeping the aid-recipients warm throughout the winter would therefore require a high enough volume of cash assistance to cover all basics needs.

Source: Lehmann, C. and Masterson, D. (2014), ‘Emergency Economies: The Impact of Cash Assistance in Lebanon’, IRC.

⁸ Post distribution monitoring data from 876 recipients of IFRC’s cash transfers in response to Typhoon Haiyan (Philippines)

⁹ Pelly, I., de Wild, D. and Inarra, C. (2015), ‘Philippines Haiyan Response – A multi-sectoral review of the use of market analysis and the design and implementation of CTPs’, *Save the Children*.

¹⁰ Clarke, I., J. (2014), ‘Typhoon Haiyan one year on: older people key to recovery’, HelpAge International

¹¹ Hall, S. (2014), ‘[Humanitarian Assistance through Mobile Cash Transfer in Northern Afghanistan: An Evaluation of a DFID Pilot Project in Faryab, Jawzjan, and Samangan](#)’.

¹² Campbell, L. (2014), ‘[Cross-sector cash assistance for Syrian refugees and host communities in Lebanon: An IRC Programme](#)’, *CaLP case study*.

¹³ Longley, C., Dunn, S. and Brewin, M. (2012), ‘Final monitoring report of the Somalia cash and voucher transfer programme. Phase I: September 2011–March 2012’, *Humanitarian Policy Group. ODI*.

¹⁴ Oumarou, I. (2013), ‘Les transferts monétaires dans la commune de Roubou’, *LASDEL, Études et Travaux*, 107.

¹⁵ Lehmann, C. and Masterson, D. (2014), ‘Emergency Economies: The Impact of Cash Assistance in Lebanon’, IRC.

¹⁶ Post distribution monitoring data from 876 recipients of IFRC’s cash transfers in response to Typhoon Haiyan (Philippines)

This includes selling of precious assets, child labour and borrowing money, which are amongst the more common coping mechanisms used as a response to a disaster which can affect the feeling of dignity.

“With this card, we will be receiving cash which will enable us to pay for rent. [This] helps my family and all of the people queuing here to overcome the biggest obstacle to a decent life.”

Syrian refugee, recipient of unconditional cash grant
(2013 population movement, Jordan, Jordanian Red Crescent/IFRC)

Borrowing money is in some contexts common practice. Shocks can, however, impact the ability to repay debt and/or force households to take a loan bigger than what they can normally manage. This creates a potential risk of a longer-term impact in developing bad credit which will affect their ability to borrow money in the future.

Indebtedness is, however, not always related to the fulfilment of what would commonly be classified as basic needs, but may serve other crucial purposes. In certain settings such as revealed by an anthropological study on of consumption in refugee camps, “(...) *consumption allows the refugees to engage with others, to socialize, to celebrate, to mourn, and to gain some sense of normalcy in their daily lives. The ability to celebrate and communally consume goods brings normalcy; celebrating and communally consuming such items renders dignity.*”¹⁷

Finally the use of cash transfers when designed appropriately has been proven to have a positive contribution on the local economy. In the response to Typhoon Haiyan, Save the Children sought feedback from market actors following a multi-sector cash transfer programme. This programme allowed recipients to respond to a large part of their basic needs and market traders reported that households spent the cash on a large variety of products and services meaning that many individual markets actors benefitted and experienced minimal pressure as a consequence of cash transfers. Perhaps not surprisingly, there is evidence of the potential of cash transfers to support the recovery of local economy. Cash transfers implemented as part of UNHCR winterisation programme were found to have a multiplier effect of 2.13, meaning that every US dollar spent by a cash transfer recipient would generate \$2.13 back into the economy.

Preference factors

The wide and varied spending patterns associated with cash transfer programming suggest a greater element of choice and programme monitoring indicates the positive value given to this by recipients in humanitarian crises. But preference for cash over in-kind is more nuanced and typically influenced by a number of enabling or disabling factors, well understood by beneficiaries.

¹⁷ Oka, R. C., (2014), ‘Coping with the Refugee Wait: The Role of Consumption, Normalcy, and Dignity in Refugee Lives at Kakuma Refugee Camp, Kenya’, *American Anthropologist*, 116 (1), p.34.

Several studies and reports have highlighted a preference for cash over in-kind to various extent^{18,19,20,21}. The flexibility (see box 1), the possibility to spend according to one's own priorities, as well as the derived sense of dignity and somehow normality are among the benefits of cash transfers often cited by recipients. Experience with the selling of parts of in-kind assistance goods in the market also suggests recipients' preference for cash. These goods are often sold at a discounted price, yet households would much prefer to have that fraction of value in cash than in its physical form in order to fulfil unmet or other prioritised needs^{22,23}.

“I prefer to get the money because sometimes aid organizations bring things I don't need.”

Abasi, recipient of mobile money cash grant (2010 Haiti earthquake, American Red Cross)

Another aspect highlighted by cash transfer recipients is how this modality aids the transition from relief to recovery. Participants to a focus group in the Philippines explained that “*they didn't know what to do after the typhoon because they had no way to start recovering*”²⁴. Given the heterogeneity of needs – and sometimes limited information on affected communities' needs²⁵, while some aid recipients may merely use aid assistance to cover basic needs, some others may be able to invest in income generating activity, thus taking the path to self-recovery.

Recipient households have preferred or recommended, in-kind support rather than cash for various reasons including travel cost, distance/time to markets, delivery points or ATMs, protection risks, cultural barriers to access and inflation rates^{26,27,28,29}. For example, there may be a preference for in-kind assistance when inflation exists – resulting in the probable erosion of assistance in actual monetary terms if the value of a cash transfer is not aligned or when there are cultural or financial barriers to accessing markets.

When consulted on the effectiveness of in-kind assistance, market actors in Save the Children's cash programme in the Philippines reported that “[*they*] felt that the food distributions went on

¹⁸ Berg, M., H. Mattinen and G. Pattugalan (2013), ‘Examining Protection and Gender in Cash and Voucher Transfers’, Case Studies of the World Food Programme (WFP) and the Office of the United Nations High Commissioner for Refugees (UNHCR) Assistance.

¹⁹ Lehmann, C. and Masterson, D. (2014), ‘Emergency Economies: The Impact of Cash Assistance in Lebanon’, IRC.

²⁰ Pelly, I., de Wild, D. and Inarra, C. (2015), ‘Philippines Haiyan Response – A multi-sectoral review of the use of market analysis and the design and implementation of CTPs’, *Save the Children*.

²¹ WFP and Oxfam (2015), ‘PDM Mugunga - GOMA’.

²² Pelly, I., de Wild, D. and Inarra, C. (2015), ‘Philippines Haiyan Response – A multi-sectoral review of the use of market analysis and the design and implementation of CTPs’, *Save the Children*.

²³ WHS (2015), ‘Preparatory Stakeholder Analysis - World Humanitarian Summit Regional Consultation for the Middle East and North Africa’.

²⁴ Post distribution monitoring data from 876 recipients of IFRC's cash transfers in response to Typhoon Haiyan (Philippines)

²⁵ Pelly, I., de Wild, D. and Inarra, C. (2015), ‘Philippines Haiyan Response – A multi-sectoral review of the use of market analysis and the design and implementation of CTPs’, *Save the Children*.

²⁶ Berg, M., H. Mattinen and G. Pattugalan (2013), ‘Examining Protection and Gender in Cash and Voucher Transfers’, Case Studies of the World Food Programme (WFP) and the Office of the United Nations High Commissioner for Refugees (UNHCR) Assistance.

²⁷ Pelly, I., de Wild, D. and Inarra, C. (2015), ‘Philippines Haiyan Response – A multi-sectoral review of the use of market analysis and the design and implementation of CTPs’, *Save the Children*.

²⁸ Lehmann, C. and Masterson, D. (2014), ‘Emergency Economies: The Impact of Cash Assistance in Lebanon’, IRC.

²⁹ Oxfam (2013), ‘Assessment of IDPs situation in Rubaya, Masisi Territory’

too long and slowed down market recovery” and impacted transport availability³⁰. Though not surprising that market actors might have a preference for cash transfers over in-kind assistance, there are a multitude of factors in consideration not least the factors influencing competition and ability to meet demand.

What affected populations say about delivery mechanisms

The selection of the delivery mechanism is another stage at which consultations with affected populations should be standard practice. While agencies may include in their selection criteria for delivery mechanisms reasons ranging from immediate cost-efficiency to potential for long term financial inclusion or funding sources conditioned to specific delivery mechanisms, recipients’ preference are often well informed and should be considered.

Preferences for specific delivery mechanisms are unsurprisingly context specific. Thus, for instance, recipients of the UNICEF’s Alternative Responses for Communities in Crisis (ARCC) programme in DRC expressed a close to unanimous preference for cash in envelope rather than paper vouchers or mobile money³¹, which could be explained by the insufficient infrastructures to use mobile money. Cultural preferences are equally important. In the Philippines, cash distributions through remittance companies were thus favoured due to recipients’ familiarity with the system as most Filipinos working overseas send money home through remittance companies³².

Perceived protection risks should also be considered in the selection of a delivery mechanism as highlighted in a joint WFP-Oxfam project in North Kivu in Eastern DRC³³. “Nearly all displaced persons stated that they were too afraid to receive direct cash because of the threat of the attack from the armed rebels in the area.”. This led to the use of a commodity voucher through closed fair and local traders. Consequently, post distribution monitoring data showed a great satisfaction regarding the level of security at the fairs.



Photo: Caroline Berger/Oxfam

³⁰ Pelly, I., de Wild, D. and Inarra, C. (2015), ‘Philippines Haiyan Response – A multi-sectoral review of the use of market analysis and the design and implementation of CTPs’, *Save the Children*.

³¹ Data from preliminary analysis of a sample of 618 households of recipients of unconditional cash transfers between January and March 2015 under the ARCC II programme – accessed in June 2015.

³² Post distribution monitoring data from 876 recipients of IFRC’s cash transfers in response to Typhoon Haiyan (Philippines)

³³ WFP and Oxfam (2014) ‘Final Report - Rubaya Voucher Project WFP – Oxfam - 1 Nov 2013 – 31 Mar 2014’

Conclusions

Strengthening effectiveness of humanitarian response implies a focus on beneficiaries at all stages of the response. As demonstrated in this paper, disaster affected communities often express a strong preference for response modalities that allow them to prioritise their needs and to be actors of their recovery. Information on affected communities' preferences tend, however, not to be given enough consideration in the decision process when defining the most appropriate response in a given context as reflected for instance by common needs assessment tools³⁴ and programme documents consulted for this paper.

A broad range of external factors influence or limit the possibility to freely choose between assistance modalities. However, this should not prevent prioritising the affected communities' voices as they are the ultimate people we are serving. Understanding the contextual reasons behind a preference for in-kind, restricted or unrestricted cash transfers, and how a specific modality or delivery mechanism will affect not only the fulfilment of sector-specific basic needs, but also the potential for recovery or intangibles such as dignity and freedom of choice are essential to save lives, alleviate suffering and maintain and protect human dignity to the best of humanitarian actors' ability.

Perhaps not surprisingly, given the flexibility offered, this article has evidenced the preference for cash expressed by crisis and disaster affected populations. Through a further case study, we hope to open the discussion of the future of cash transfer programming to affected people and families. By asking the basic, yet fundamental, question of what people think of cash transfer programming and how they would like to see it in the future, the second report will begin to gauge the thoughts and opinions of aid recipients on ways that cash transfers could be improved. Canvassing these opinions will help us transform cash transfer programming with those directly affected by crisis at its centre.

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³⁴ See for IASC's Multi-Cluster/Sector Initial Rapid Assessment (MIRA) or Oxfam's 48-Hour Assessment Tool.