



Aisha lives with one of her surviving sons. The father of two girls and two boys, he works in a market, where if he is lucky he earns 500 YER (\$2) a day, if he earns at all. Aisha is pictured here with money she received through Oxfam's programme. © Rashad Saeed/Oxfam

THE YEMEN CASH TRANSFER PROGRAMME

How Oxfam used social welfare fund lists and the Post Office system to distribute funds and rebuild donor trust

In October 2011, Oxfam partnered with the Social Welfare Fund and the Post Office in Al Hodeidah governorate in Yemen to deliver cash transfers to vulnerable households during a period of worsening food crisis. With other donors stalling and expressing a lack of trust in this approach, the Oxfam team had to work hard to demonstrate its legitimacy and effectiveness.

1. What change(s) was this programme intending to influence through its leverage strategy?

The Social Welfare Fund is a social protection mechanism delivering cash through the Post Office to the poorest and most vulnerable people in Yemen. However, in 2011, a lack of confidence in the Social Welfare Fund mechanism from donors meant that some, such as the World Bank, suspended support, while others, such as the Dutch government, withdrew it. . In partnering with Social Welfare Fund to deliver cash transfers, Oxfam had to rebuild trust in the system.

In terms of leverage, the programme sought to:

- demonstrate to donors that INGOs could deliver in a challenging context and counter concerns about how difficult it was to spend donor funds in Yemen at the time - this in turn was limiting donor pledges to Yemen;
- demonstrate whether or not Social Welfare Fund beneficiary lists were still accurate, and to restore a measure of faith from donors in institutional capacity and delivery mechanisms;
- take a modality of delivery, namely the use of Post Offices for cash distribution, and show that it could deliver at speed and with greater reach than previously attempted;
- provide evidence to influence the World Food Programme (WFP) to focus more on cash transfers as an appropriate intervention instead of a narrow reliance on food assistance, at a time when food was available in markets, but unaffordable;
- encourage other INGOs to consider cash transfers as an appropriate response to the crisis by piloting a replicable methodology and sharing learning with others;

2. What, if anything, was new, innovative or different about the approach through which this programme attempted to bring about change?

Ultimately, the scale was the difference. Oxfam has distributed cash before, but we have now reached half a million people in Yemen – this is the largest emergency cash distribution ever undertaken by Oxfam. Additionally, the Social Welfare Fund is a new type of partner for Oxfam.

There is a temptation, of course, to keep things ‘in house’, by working only with local NGO partners. We were not fully aware of the potential of the welfare systems in Yemen (and, to be honest, in most countries where we work that is a valid concern as there is not a functioning welfare system). But that creates a problem too: In other countries we have partners that are able to take on the responsibility of registration and cash transfer – or we like to think they are capable. Sadly, we often over-burden them with the responsibility, and there is seepage of cash or worse and a major limitation on scale. Using the SWF and the Post Office at least ensured that we were using a mechanism that knows how to manage cash and deliver at scale.

We could not have reached this scale by ourselves. We would normally

do community-based targeting but it simply would not have been possible, with the size of the team that we had, to go to all the villages in the time frame available and do the sensitization, collection of names, verification – and then the distribution.

So we worked through a government institution, the Social Welfare Fund, in our cash transfer programme with a view to developing a model of excellence. Through this local-level work, we have been able to leverage and influence national-level work with the government on social protection, complementing World Bank and EU initiatives.

In order to reduce travel costs of households in collecting cash payments, Oxfam negotiated with the Post Office the use of mobile vans at a distribution point close to their villages (within a radius of 5km of beneficiaries). This included existing Post Office branches, and additional pay centres in public buildings such as schools.

Oxfam took the initiative to establish a technical working group for cash and market based programming in Yemen and Oxfam now leads the cash and vouchers working group in Yemen.

3. Recognizing that leverage can be achieved in different ways, how did the programme leverage change?

On one level, it is worth recognizing that leverage happened in the tried and tested way – i.e. by strongly linking our programme and advocacy. For example, we based our advocacy messages around the need for donors to step up their giving citing our own ability to effectively programme on the ground and our knowledge of the situation at community level. Other aspects of the work also played a part in achieving leverage:

- We used our access to northern advocacy targets in country and outside to push coherent, evidence-based messages.
- We communicated succinctly to targets in their 'language' – e.g. preparing a one-pager on the appropriateness of cash as a modality in the Yemen context – in both English and Arabic prior to the Yemen 'donor conference' in 2012.
- We supported media visits to programme sites in order to 'break the story' of hunger in Yemen – from an article in the Economist to coverage in Arabic media.
- We built strong links with the Social Welfare Fund, with whom we had not collaborated before.
- We entered into substantial negotiations with the Post Office to reach agreement for them to undertake novel forms of distribution and to do so in a timely and cost effective manner. But mutual lack of trust also meant some unnecessary steps in terms of paperwork. To counter this, we worked to be clearer about roles and responsibilities.
- We convened other INGOs to consider cash and market based programming.

- We piloted a new approach, evaluated it, improved it and enlarged it.

4. What worked well and not so well with efforts to leverage change through this approach?

The first pilot was generally successful in terms of speed of response, but with key learning on how to improve it. For example, travel costs for beneficiaries were high and we were able to reduce frequency of payments in the next round to reduce the cost to beneficiaries. The pilot allowed us to set up and test all systems, including working with the Post Office, establishing mobile payment centres, and verifying Social Welfare Fund lists. Our beneficiary selection caused problems too; we chose the very poorest in Al Hodeida but they were too geographically spread which made for huge logistical challenges reaching such a dispersed area.

When we were scaling up we risked major reputational issues with communities where we began raising expectations of an Oxfam programme but without donor funds secured to deliver it.

Building relations with local and national staff of Social Welfare Fund and the Post Office was crucial – with some tricky moments along the way. The Social Welfare Fund lists did have their problems, mainly due to the length of time since they were updated. Our main concern was about exclusion errors, given that more people have fallen into poverty since the lists were compiled. But from our experience, we were very satisfied that the lists did not have huge errors – the accuracy was better than we expected. We set up a complaints mechanism, which helped identify cases of double counting and heard complaints about exclusion from the lists. And having the Social Welfare Fund as a partner meant they were on the spot during the distributions so they could verify and improve their lists for the future and were also able to adapt them and include some vulnerable families which were not included on the original lists.

This modality does not create a parallel system but rather strengthens state structures, laying a foundation for greater sustainability of the intervention and government ownership. However, Oxfam is not in a position to continue providing cash payments to vulnerable groups and it is critical that the Social Welfare Fund assumes this responsibility in the coming years.

The issue of armed guards is a sensitive one. There are a lot of weapons in Yemen and having an armed escort is a necessary evil. We aim to make sure they are as invisible as possible, but this is a challenge. Asking staff of the Social Welfare Fund and Post Office (including the guards) to sign a code of conduct has been difficult and still something that needs to be agreed. At the moment there is no real solution – however, people are not intimidated on site by the guards.

WFP were undertaking their own cash pilot, but responded very slowly in changing their approach towards cash programming – however they did send cash experts and greater cash programming is now planned.

The programme's links with nutrition turned us into a referral mechanism, but we were not sufficiently linked with others to know whether those referred did receive effective emergency nutrition treatment post-referral. Perhaps more joint programming with other agencies at the outset would have addressed this.

More investment in convening INGOs at the outset would have been helpful in increasing momentum around cash programming. We should also aim for closer co-ordination in future with other bodies who were keen to work with the Social Welfare Fund, like the EC or UNICEF.

5. What capabilities, knowledge or skills were helpful when implementing this approach?

Having a 'resilient country programme' with competent staff who were not in 'crisis mode' was crucial to the success of this programme – any major staffing gaps at this time would have jeopardised success. This was a long-term chronic problem made worse by recent events. Despite pressure, the team was able to consider what would be the most appropriate response in the circumstances. It was not that we were relaxed, but being level-headed is important. There were established, competent staff in place who knew the context, and there was effective technical support and strong leadership. We also had access to resources, including some unrestricted funds and humanitarian support personnel, to support key aspects of the work. Senior local staff were able to negotiate tirelessly with senior officials from local institutions.

There was an effective link between programme and international policy, with clear articulation of what we sought to change. The team did an amazing job of turning the crisis into a national issue. For example, in early 2011, one UN agency was saying that the only crisis in Yemen was the conflict but that position changed, not just because of Oxfam, however our advocacy has been crucial in keeping the humanitarian situation in Yemen on the agenda.

We gathered strong data from the programme in the form of post-distribution surveys, household economic analysis etc. This is crucial information for evidence-based policy discussions.

There was strong understanding of donor agendas in Yemen and in donor government headquarters – most of the time we were sensitive to knowing when and where to push, e.g. with WFP there were sensitivities as we were criticising aspects of their approach in Yemen.

Doing what we said we would do – delivering on time and on budget – was crucial to maintaining our reputation as a serious humanitarian actor.

We drew from Oxfam experience elsewhere. A lot of our confidence came from our experience with the Hunger Safety Net Programme in Kenya, learning from the scale of cash programmes in Pakistan, and the use of private sector banking systems and money transfer companies in Somalia and Ethiopia. We learnt a lot of lessons in terms of how best to take advantage of existing systems and build on them, rather than create parallel interventions.

6. What has changed as a result of the programme and how have you measured this? (Where possible, quantify the scale of programme success in terms of outcomes and reach, and relate this to inputs and cost.)

In terms of direct benefit (i.e. not leverage):

- Post-distribution monitoring results showed that 100 per cent of the target beneficiaries received their cash transfers on time. About 98 per cent spent a portion of money on food, while 99 per cent stated that the food they wanted to buy was available in market; 65 per cent of beneficiaries increased their food consumption score by 17 per cent and 76 per cent of recipients stated a preference for cash to be used in future distributions.
- The methodology strengthened the local credit system, the linchpin of community-level resilience.
- Women were enabled to prioritize their families' needs; they had dignity of choice, choosing how to spend the cash grant themselves.

In terms of indirect benefit:

- There was a change in discourse in the humanitarian community – where the UN's Consolidated Appeal Process and the majority of programming in late 2011 was focused only on conflict-affected communities (internally-displaced people and host communities), the focus shifted towards crisis-affected communities across the country and on hunger in Yemen.
- Aid from donors increased – notably from ECHO and DFID, but also pledges from Arab donors (though Arab funds are not for cash transfers).
- The initial work enabled scale-up of Oxfam's cash transfer programme to reach more people in more governorates.
- Other INGOs began cash programming and some have made statements about not doing food distribution due to food availability in markets.
- The analysis we are producing is demonstrating more than ever the importance of a functioning market as one critical element for resilience of poor households. Cash support is more than just access to food, it eases the pressure on the local economy and rebuilds trust and credit lines between suppliers, traders and consumers.
- WFP slowly began changing its approach towards cash transfer and other agencies were able to also add pressure.
- Social safety nets featured prominently in statements from the Friends of Yemen.

7. Can you describe (or measure) Oxfam's contribution to that success?

We have definitely contributed to the debate, such that other agencies are now putting their trust in the Social Welfare Fund lists and funding is again being made available to Social Welfare Fund beneficiaries through the normal social protection system. Oxfam's programming and

advocacy certainly contributed to the change in discourse, though there were other significant factors such as the publication of WFP's Comprehensive Food Security Strategy.

Reduction in donors' scepticism about social safety nets is in part due to evidence we provided showing levels of reliability of Social Welfare Fund lists and data on how poor households spent the money – in general, responsibly. One of the challenges we face is where to draw the line; there will always be someone else who should qualify to receive cash transfers, but we just do not have the funds; the need is greater than our resources.

The Oxfam team has done an amazing job to turn the crisis into a national – and international – issue. The UN consolidated appeal for Yemen in 2013 is \$680 million, 17 per cent higher than the 2012 appeal; with the help of WFP, we were able to change perceptions of the situation in Yemen, from being viewed as a chronic crisis to an acute crisis.

8. Are there any other lessons you have learnt about how to effectively leverage change?

Programming of this sort in fragile states requires strong leadership, a confident team, adequate technical support, continuity of key staff and sufficient resources to keep 'heads above water'.

We found value in gathering strong evidence of both the situation on the ground and the changes coming out of the work, and bringing this evidence to policy makers.

It helps to work collaboratively with others from concept stage onwards, and not to skimp on programme design – get the right brains working on the problem.

Building proper reflection into the project cycle is vital, especially after pilots have ended. Our experience also demonstrates that linking programme on the ground with advocacy at national and international levels is a crucial part of achieving leverage.

By James Whitehead, Regional Programme Manager, Middle East, and field staff in Yemen.

© Oxfam GB September 2013.

This case study was written by James Whitehead. Oxfam acknowledges the assistance of various field staff in its production. It is part of a series of papers and reports written to inform public debate on development and humanitarian policy issues.

This publication is copyright but the text may be used free of charge for the purposes of advocacy, campaigning, education, and research, provided that the source is acknowledged in full. The copyright holder requests that all such use be registered with them for impact assessment purposes. For copying in any other circumstances, or for re-use in other publications, or for translation or adaptation, permission must be secured and a fee may be charged. E-mail policyandpractice@oxfam.org.uk.

The information in this publication is correct at the time of going to press.

Published by Oxfam GB under ISBN 978-1-78077-457-2 September 2013.
Oxfam GB, Oxfam House, John Smith Drive, Cowley, Oxford, OX4 2JY, UK.

OXFAM

Oxfam is an international confederation of 17 organizations networked together in 94 countries, as part of a global movement for change, to build a future free from the injustice of poverty. Please write to any of the agencies for further information, or visit www.oxfam.org.