



# FROM MISTRUST TO COMPLEMENTARITY:

*The partnership between NGOs and private  
companies in the provision of humanitarian  
AID in the form of cash*

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## ABSTRACT

This article provides arguments to understand the rationale behind the use of cash transfers as a reference tool in humanitarian contexts. It seeks to offer more clarity about the roles and potential synergies between the traditional stakeholders of the sector (NGOs, international organizations), and the new actors represented by private companies. This exercise identifies shared and conflicting interests, the challenges, and opportunities faced by public-private partnerships for cash transfers and the most relevant steps to follow in building alliances. With the purpose of defining better spaces or leaderships to be claimed as their own, the article identifies as essential for NGOs humanitarian access, generating spaces for participation of affected communities in decision-making, the targeting of those who should be recipients of humanitarian aid, monitoring and accountability; while the private sector is called to facilitate innovation, lead the scale-up of interventions and the search for more efficient solutions. The article concludes with a description of possible trends in the humanitarian field as a result of the ongoing transformations.

**Keywords.** Cash transfers, Public-private partnership, Humanitarian contexts, Collaboration, Community participation

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## 1. INTRODUCTION

During the last decade, the private sector has begun to play a more prominent and visible role in the international agenda that seeks to face global challenges, whether in humanitarian fields, sustainable development or the fight against climate change. This change in approach is supported by the new framework established by the Sustainable Development Goals (SDG), and mainly SDG 17 that seeks to *strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development*, by including private companies, governments, and civil society. SDG 17 provides greater visibility to the work and contributions of the private sector in the search for solutions to problems prioritized by today's society, and, above all, encourages multi-actor collaboration. It also implies the awareness of companies so that their activities, directly or indirectly, do not slow down sustainable development or make conflicts worse, something that has been common up to the present. (Bennett, 2002; Bradshaw et al., 2007; Collier et al., 2009; Jorgic, 2014; Hotho and Girschik, 2019).

Dynamics of continuous innovation also reach the international development cooperation sector (Lee, 2005), and by extension to the international humanitarian aid system, in which until recently, international institutions and non-governmental organizations (NGOs) played an absolute leading role (Bragg, 2019). In this sense, the delivery of cash as a preferred humanitarian response strategy in most crises is considered as a change in the humanitarian paradigm, based on its gradual introduction in the 2000s (Peppiatt et al., 2001, Devereux, 2006; IASC, 2015). In the same way, the greater participation of the private sector in the provision of cash and voucher assistance is also considered a change in trend, which will change the whole sector (CALP-IARAN, 2019; OCHA, 2018). The *Principles of Public-Private Cooperation for Humanitarian Payments*, an initiative promoted by the World Economic Forum and agreed among UN agencies, companies and NGOs, establishes guidelines that facilitate collaboration between humanitarian and private sector actors for the delivery of digital payments (e-transfer), and therefore, it is a mandatory reference when launching a humanitarian response in which enterprises and NGOs collaborate (WEF, 2017).

This article provides arguments to understand why to use of Cash Transfers as a reference tool in humanitarian contexts. Secondly, it seeks to offer more clarity about the roles and potential synergies among traditional actors in the sector (NGOs, international organizations), and new actors represented by private companies. This practice identifies shared and conflicting interests, challenges and opportunities faced by public-private partnerships for cash transfers in the humanitarian context and the most relevant steps to follow in building alliances. It is argued that, in order to generate a successful collaboration, that is, efficient, effective and ethical among financial services, companies and/or electronic payment mechanisms and NGOs, it is required a collaborative framework to consolidate a portfolio of alliances that goes beyond the traditional philanthropic and transactional stages, generating a bilateral value flow between the parties. For this, it is necessary to align values, missions, strategies and create solid foundations for an integrated alliance throughout all the phases that characterize a humanitarian emergency, from prevention and preparation to post-emergency recovery. At the same time, we propose that these collaborations focus on the affected communities and allow mechanisms for their participation in building them up.

With the aim of defining better areas or leadership to be claimed as their own, the article identifies humanitarian access as essential for NGOs, to generate spaces for participation of affected communities in decision-making, the targeting of those who should be recipients of humanitarian aid, monitoring and accountability; meanwhile the private sector is called to facilitate innovation, to lead the scale-up of interventions and the search for more efficient solutions. The article concludes with a description of possible trends in the humanitarian field as a result of the ongoing transformations.



For this purpose, a broad review of both academic and operational literature has been carried out, with special emphasis on articles that summarize and review previous research in different contexts and crises on; i) Cash Transfer Programming and its impact; ii) Private Sector participation in humanitarian responses; iii) evolution and formation of alliances between the third sector and the private sector. This synthesis work is combined with the authors' professional experience of 20 years in humanitarian projects management.

## 2. THE USE OF CASH TRANSFERS AS A HUMANITARIAN REFERENCE TOOL IN HUMANITARIAN CONTEXTS

A solid rationale for the use of Cash Transfer as an instrument of humanitarian response can be found in the pioneering work of Amartya Sen (1981) on the causes of hunger and the absence of enough income. Afterward, Sen and Dreze in their work *Political Economy of Hunger* (1990) formulated specifically the advantages of the distribution of cash in humanitarian aid programs to prevent or mitigate food crises, provided that food supply was guaranteed in local markets.

Gradually, the number of pilot projects in different contexts such as post-natural disasters, assistance to refugees, displaced people or victims of armed conflict, raised up throughout the 90s of the last century and 2000s. In this case, humanitarian assistance increased providing cash and/or coupons, in addition to researches comparing the efficiency and impact of economic transfers vis a vis food distributions or other basic needs items (Gelan, 2006; Devereaux, 2006; Doocy and Tappis, 2011; Hoddinott et al. 2014; Simpson et al. 2017).

Cash transfers, as an assistance method, have a significant number of advantages. First, it allows people in need to choose food, goods or expenses they consider essential. This generally turns into an improvement in family nutrition or access to health services (including medicines payment), education, transportation, debt compensations or basic improvements in housing (Doocy and Tappis, 2011; Adato and Bassett, 2009; Falagara and Fuminori, 2018). Besides, the ability of the aid recipients to choose what to do with the support received gives them greater dignity (Bailey and Harvey, 2015), and generates an increase in psychosocial welfare among the cash recipients (Samuels and Stavropoulou, 2016). Another important advantage of cash over other forms of assistance is the greater efficiency of the process (Mikulak, 2018). For example, the distribution of food for an equivalent value to the delivery of cash implies an operating cost that doubles or triples the cost of delivery (Gentilini, 2014). The US government itself estimated that logistics costs reached 65% of the expenses of its emergency food aid (GAO, 2009; Falagara Sigala and Fuminori, 2018).

The distribution of cash has a positive and indirect effect as it revitalizes the local economy since the recipients of the transfers spend this income in the same areas where they are located; The multiplier effect ranges from 1.5 to 2.5 USD per USD transferred (Bailey and Pongracz, 2015; Taylor et al. 2018), which is more difficult in the case of aid in the form of food or other supplies given directly. The concern (Basu, 1996) that humanitarian aid in the form of cash may lead to an increase in the price of food (inflation) in the intervened zones, has not been confirmed, except for specific cases in contexts in which markets could not have appropriate supplies (Bailey and Harvey, 2015). However, in 2016 Cash Assistance only reached 10% of total assistance (CALP, 2018), a figure still far from expectations created by a large amount of evidence in favor of this assistance modality.

The gradual growth of assistance through Cash Transfers has deeply transformed the humanitarian supply chain traditionally managed by NGOs and UN agencies by opening a space to work with local markets



for goods and services. Retailers, wholesalers and providers of financial services, remittances and digital payment methods began to play a greater role as a “last mile solution” in the humanitarian response chain (Altay and Kovács, 2018; Sodhi and Tang, 2014).

This transformation has contributed to greater safety, a better cost-efficiency, rapidity and flexibility (Bailey, 2015; WEF, 2017). Direct delivery services of cash transfer have already been used successfully in multiple contexts and crises to provide humanitarian assistance such as cash delivery through bank branches and remittance companies, distribution of *vouchers* (paper or electronic) to be exchanged for basic products in stores in the intervention areas (Cash and Voucher Assistance); magnetic cards or equipped with chip (E-Voucher); the use of mobile phone as means of payment (Digital Payment); *hawalas*<sup>1</sup> (informal money transfer companies) and recently, initiatives through the use of block-chain.

<sup>1</sup>*Hawala* is a connection based on confidence among a network of agents, which are the vehicle between the local population and the rest of the world. *Hawalas* are informal Cash Transfer Companies that transfer funds both nationally and internationally. There has been widespread use of *Hawalas* in large-scale responses in humanitarian contexts such as Somalia, Iraq, Pakistan, Syria, Afghanistan.

### 3. NGOs AND PRIVATE COMPANIES IN THE HUMANITARIAN FIELD

The use of Cash Transfer opened the doors to new and diverse collaboration or alliances between NGOs and private companies specialized in financial and Digital Payment services. At the same time, other usual collaborations of humanitarian NGOs with enterprises such as logistics companies that provided supplies, transport companies or large international food intermediaries (usually basic grains), lose their space. These collaborations have been characterized by their dynamism and frequent changes in terms of collaboration, according to the context, type, and cycle of the disaster, to the atmosphere produced by national regulatory frameworks, socio-political stability or financial and telecommunications infrastructures (Malik et al., 2018; Falagara and Wakolbinger, 2019; GSMA, 2019). According to the variety of contexts, different forms of transfers modalities have appeared in partnership with the private sector: *Hawalas* in Somalia 2011, e-vouchers in Northern Nigeria since 2014 or Colombia and Mali since 2015 (ACH, 2016), the Lebanon’s One Unified Inter-Organizational System for E-cards (LOUISE), payment with mobile money in refugee settlements in Uganda (Airtel-DCA), the use of Blockchain in Pakistan and Jordan in 2017.

However, in general terms, public-private partnerships for Cash Transfer have failed to reach their full potential to cooperate, look for synergies, and enable humanitarian actors and companies to share objectives, goals, and roadmaps (WFP and DFID, 2019).

According to the literature review, the following challenges and opportunities have been identified for building alliances (Hotho and Girschik, 2019; Meagher et al. 2018; Falagara and Fuminori, 2018; Austin et al., 2012; OCHA, 2017; GSMA, 2019).

#### 3.1. CHALLENGES

When building alliances for Cash Transfer, NGOs and companies often face different obstacles, mainly; i) information asymmetries related to the lack of understanding of the humanitarian system by the private sector; ii) differences in organizational culture, prejudices in the way of understanding the other partner as



well as difficulties in communication when dealing with different terminologies and codes; and iii) availability of resources, capabilities and time horizons (Bailey, 2014; Oglesby and Burke, 2012).

Companies believe that NGOs are slow and bureaucratic, with high indirect costs and with imprecise analysis and definition of problems (Malik et al., 2018). A survey carried out by United Nations Office for the Coordination of Humanitarian (OCHA) in 2017, among companies that participate in humanitarian responses, verified that the majority of the interviewees did not know the reasons and purposes for collaborating with their partner, in addition to having a poor understanding of the risks involved in the humanitarian action, and mitigation measures to be taken in each context in order to reduce reputational, financial or performance risks (Hotho and Girschik, 2019).

On the other hand, from the perspective of NGOs, they recognize the need to invest in improving their capacities to analyze national and international financial regulatory frameworks (Falagara and Fuminori, 2018), since the data requirements associated with the concept “*Know Your Client*” (KYC) increase the risks that would involve the violation of data privacy of the people involved in humanitarian crises. An area that generates special concern is the biometric data of vulnerable populations, which can make the payment of cash transfers to victims of conflicts, more secure and efficient, but its inappropriate use can be used to identify and discriminate specific groups (Raftree, 2019).

Under these conditions, it is essential that public-private partnerships ensure respect for the privacy of personal data, establishing shared collaboration strategies and platforms (WEF, 2017). This implies finding feasible solutions to comply with national regulations, and that the solutions adopted by humanitarian actors and financial services companies mitigate, in an appropriate way, the risks in protection for the affected population (Vassas and Laïda, 2018). One of the biggest challenges is that the protection of personal data is compatible with the anti-terrorist regulations established by the governments of donor countries (particularly, the United States) so that it can be guaranteed that money is not delivered to people related to terrorist activities (Lewis, 2018). According to several humanitarian actors, USAID’s imposed restrictions in Northern Nigeria undermine humanitarian principles and the ability to reach the people who need the most. (Anyadike, November 5, 2019).

Another component that makes NGO-company collaboration difficult is the difference in planning horizons in these two types of entities, to the extent that NGOs usually operate according to limited-time projects in response to crises of unpredictable evolution, whereas companies have a much greater stability and financial planning (Falagara and Fuminori, 2018).

### 3.2. OPPORTUNITIES

The current humanitarian scenario has favored the emergence of new companies that build their business models around Cash Transfers in humanitarian contexts. For example, in the immediate response to the floods in Mozambique in 2019, at least nine specialized companies offered their services for financial transfers to humanitarian actors that operated in the affected areas (Cash Working Group, Beira, Mozambique). According to the aforementioned survey, among the motivations that favor the approach of a private company to an NGO are: altruism, obtaining economic benefits, increasing the capacity of influence and social projection, reducing the risk or the competitive advantage provided for the activity in new contexts when developing products for vulnerable people, with the aim of building markets for the future. A strong motivation for 90% of companies when deciding whether to collaborate with an NGO in the context of humanitarian response, is the expectation of a return. However, half of the firms reported difficulties in proving the value of these collaborations, and, consequently, many of the companies claimed that they would end a collaboration if they failed to materialize



the identified business opportunities (OCHA, 2017). This outlook is a matter of concern for those who stand for a culture of greater collaboration between the private sector and the civil society, something that is of special importance in the most fragile areas of the world, where such alliances are more than necessary and could have greater impact, but which the private sector often refuses (Malik et al., 2018).

NGOs, on their side, hire financial services companies or electronic payments, taking advantage of their experience, effectiveness, and capacity, by which they seek to reduce risks and save costs by not having to develop solutions for themselves (Lucchi, 2018; ACH, 2016; ODI and CGD, 2015; WFP and DFID, 2019).

It is also important to be realistic about the aim of financial inclusion that is formulated in many humanitarian assistance actions in response to the expectations of financial services companies taking part in such action (Bailey and Gordon, 2015). In order to achieve these type of objectives (which go beyond the provision of essential aid in the form of cash), it is required a minimum of socio-political and economic stability, to prioritize payment systems and technologies accessible in the local context and to allow recipients to access other financial services, such as remittances services (WEF, 2017). The use of Digital Payments opens the door to a greater amount of additional synergies and business opportunities for companies while helping target populations manage risks in a better way and access other financial services in protracted humanitarian crises or in the phase of post-disaster recovery. By stimulating the demand for financial services and the identification of individual beneficiaries, humanitarian aid can help to solve historical obstacles in the provision of commercial financial services to neglected communities (Gurung and Perlman, 2018), or even facilitate the implementation of social protection networks.

### 3.3 CONSOLIDATING COLLABORATIVE FRAMEWORKS TO BUILD AN EFFICIENT, EFFECTIVE AND ETHICAL ALLIANCE

Knowing the motivations, interests, incentives, and risks of both parties from the beginning is the foundation of public-private partnerships to establish a broader collaboration (Austin et al., 2012). This will facilitate that the corporative commitment can be maintained in critical situations throughout different phases that characterize a humanitarian emergency.

- Companies must be familiarised and assume the essential importance of humanitarian principles (humanity, impartiality, neutrality, and independence), without which the whole action is questioned (Hotho and Girschik, 2019).
- Another essential element for the alliance must be to place the affected population and the recipient of humanitarian aid at the center of the joint action of NGOs and companies, so that their needs, preferences, and priorities are taken into account, to which they must be offered affordable, easy and safe products and services (WEF, 2017). Users tend to prefer flexible and secure mechanisms carried out by actors they trust and with whom they can communicate with (Ground Truth Solutions, 2018).
- Collaboration frameworks between NGO-company must be defined at the stage of preparation and development of contingency plans; and move from specific contracts to wider contractual frameworks or pre-agreement in time and scope (WEF, 2017). This phase should be perceived as an investment that will facilitate subsequent effective, timely, and more capable humanitarian responses to mobilize public and private aid funds.

While the NGO-business alliance considers and closely links the company's commercial strategy (financial credit products, insurance, and savings, receipt of remittances, etc.), with the mandate and objectives of



humanitarian response in the case of the NGO, there is more incentives to create a value flow between the parties, determined by the exchange of skills, technology, infrastructure or expansion of demand between a certain segment of customers in the intervention zones. Thus, it can be of great importance that the company incorporates its commercial and operational departments in the planning and implementation of the alliance, as the NGO must involve its logistics and operational units (Malik et al., 2018).

At the beginning of the humanitarian response, it is very common for the company-NGO alliance to be established between two international entities, however, as the humanitarian crisis stabilizes and moves into a reconstruction or recovery phase, the NGOs' and companies' presence is consolidated and is highly recommended to incorporate local companies and affected communities into these processes. This implies incorporating activities of local actors' capacity building, setting up community participation mechanisms, as well as meetings and learning events that facilitate the expansion of alliances with a greater weight to *local* (Grand Bargain, 2016). Local companies, in addition to ensuring greater sustainability, provide fundamental knowledge about local regulations and context, which can be crucial to provide significant responsiveness to the humanitarian response in its different phases (Falagara and Fuminori, 2018).

The dynamic nature of the NGO-company alliances must be reiterated, as well as the need for a Governance that allows both entities to adapt to the changes without giving up their own objectives. This governance system must be accompanied by shared indicators that help decision-making. Finally, it is the constant search for synergies and the will to keep a collaboration that facilitates and makes assistance to populations in humanitarian need faster and more efficient.

Mobile technology offers interesting opportunities for alliances between NGOs and companies. For example, the strategic collaboration between Airtel with Danish Church Aid in Uganda in 2018 (Malik et al., 2018), the documented experience of the International Rescue Committee (GSMA, 2019) or the UNHCR strategy "Connecting Refugees" (Vernon et al, 2016). Access to the Internet and mobile phones provides dignity and more options for humanitarian aid recipients, especially in situations of displacement. Mobile technology also facilitates communication between affected populations and humanitarian agencies, which combined with internet access represents a valuable tool, not only for communication but also to have access to digital identity services, health, education and banking (Vernon et al, 2016).

An area in which further development of partnerships between companies and NGOs or humanitarian agencies is expected is related to remittances services. In 2018, it was estimated that international humanitarian assistance represented only 1% of the resources directed to countries affected by humanitarian crises (Willitts-King et al. 2018). Remittances are one of the most important sources of economic income for developing countries, especially if they are affected by armed conflicts or natural disasters. The volume of remittances from northern countries to southern countries represents USD 613 billion per year according to recent estimations (Willitts-King et al. 2018), compared to USD 153 billion in official development aid, of which only 19 billion USD goes to humanitarian aid (OECD, 2018). Countries facing humanitarian crises depend even more on remittances; the 20 largest countries receiving humanitarian aid have 40% of their total income in remittances, compared to 17% of developing countries without humanitarian emergencies (Willitts-King et al. 2018; DI, 2015).

In her reflection on the evolution that the humanitarian system may experience in the next years, Catherine Bragg, who between 2008 and 2013 worked as United Nations Deputy Emergency Relief Coordinator in the Office for the Coordination of Humanitarian Affairs, states that; "*Today's disaster "victims" do not sit around waiting for aid agencies to come with bags of rice. They take out their cell phones and text their cousins in Miami, Amsterdam or Dubai and say, "send money"*" (Bragg, 2019).



## 4. TRENDS, COMPLEMENTARITY, AND CLARIFICATION OF HUMANITARIAN OWN SPACES TO NGOs, COMPANIES AND PUBLIC SECTOR

Every year the World Bank publishes its international *Doing Business* ranking, which provides an objective measurement of the rules that regulate business activity and the enabling environment to start up and manage private companies in 190 countries (WB, 2020). UNFPA (United Nations Fund for Population Activities) also publishes its *Humanitarian Action Overview* annually, which identifies which are the main humanitarian crises that must capture the international community's attention. In 2019, UNFPA identified the following ranking of 10 countries as priorities for the deployment of humanitarian aid; Syria; Yemen; Nigeria; Iraq; Turkey; Democratic Republic of Congo; Sudan; Bangladesh; Ethiopia and Southern Sudan. These ten countries (except for Turkey and Bangladesh, prioritized by the large number of refugees they host), are among the 25 states where the activity is more difficult for private companies. As a result, the NGO-private enterprise alliance finds fewer incentives for the second *partner*, in those places where humanitarian aid is most necessary (Kolk, 2014). This reality justifies and gives value to the essential elements that define humanitarian work; the principles, particularly, independence, impartiality, and neutrality (Donini et al. 2004), in addition to the essential duty of access to people in need, without considering contexts, which in the end guarantees they receive goods and fundamental services (Belliveau, 2016). Humanitarian principles and access to people in need are distinguishing features and essential values that humanitarian NGOs contribute to society as a whole and they must be the basis on which alliances are built with other actors, such as private companies. According to their humanitarian mandate, the actions that NGOs carried out with the greatest professionalism are: the identification of needs (humanitarian assessments), facilitating mechanisms for community participation and two-way communication with the affected communities, selecting and prioritizing who must receive support (targeting and eligibility), together with monitoring, impact measurement and accountability both to recipients of the aid and to its donors. In these tasks, NGOs can rely on the private sector to obtain financial, technological and cash distribution services, and all without competing, since private companies do not have the capacity, incentives or the legitimacy to replace humanitarian organizations.

Complementarity between NGOs and companies runs in parallel to a concentration process. An example of these changes is found in the case of Syrian refugees in Lebanon. In 2017 the European Commission's Humanitarian Aid Office (ECHO), and the Department of International Development (DFID) of the United Kingdom established a USD 85 million project of humanitarian assistance based on Cash Transfer and the use of e-voucher to facilitate refugees the access to basic supplies. The contract was allotted to only two organizations, one responsible for managing transfers, and the other responsible for monitoring operations. This bidding process completely modified the previous scenario of the distribution of humanitarian resources, which were channelled by three UN agencies (UNHCR, WFP, and UNICEF) and a Consortium of six NGOs (*The Lebanon Cash Consortium*). In previous years, these nine humanitarian actors had already come to an agreement on a single transfer system through an only card and bank (Parker, 2017). Applying the logic and objective of reaching more beneficiaries, in the most efficient way and with less administrative responsibilities, donor countries or agencies are taking the foreseeable steps towards allotting their biddings to a progressively lower number of entities.

Institutional donors begin to consider that the direct contract with the private sector could allow donated cash to reach beneficiaries more quickly and efficiently. Banks or financial companies that operate in areas where humanitarian aid is intended, tend to have lower indirect costs (*overheads*) for the administration of large assistance contracts based on cash transfers (Falagara and Fuminori, 2018). Within the framework of



the European Commission's response in Turkey to the Syrian Refugee crisis (2016-2017), the European Court of Auditors (ECA) questioned the reasonableness of 7% overheads and transfers to the local implementing partner instead of doing it directly to the bank, though in accordance with the Financial and Administrative Framework Agreement between the European Commission and the United Nations, undermine the efficiency of the response (ECA, 2018). As cash transfers become the humanitarian aid standard, the economy of scale and efficiency provided by the private sector in the supply chain will increase, which will also offer a wider range of services, so that donors will have a growing interest in channeling resources through private companies to the detriment of NGOs or humanitarian agencies of the UN.

In this scenario, the public sector will also play an important role, mainly in countries that receive aid but have adequate socio-political stability, a moderately favorable climate for business and functional States. In these cases, social protection networks will play a key role, and part of the international aid will be channelled through them (Bailey and Pongracz, 2015; CALP and IARAN, 2019). Assistance to Syrian refugees in Turkey is a good example of this change. In October 2019, the European Union assigned the largest humanitarian bidding in its history for the management of a 500 million Euro program of economic cash transfers for Syrian refugees, known as *Emergency Social Safety Net* (ESSN). The EU had to decide among three offers, led respectively by the International Federation of the Red Cross (IFRC), the United Nations World Food Program (WFP), and the World Bank (WB). Finally, the UE chose the first alternative. In the IFRC offer, the ESSN program is an extension of the Turkish government's social protection system, which uses Halkbank as a service provider, a publicly owned bank, which illustrates a clear role that financial services in humanitarian aid will have, whether public or private. After identifying refugees as eligible to be part of the ESSN, they are provided with a bank debit card completed monthly with approximately USD 20 per person, so they can use it conveniently. The field implementation of this program is led by Turkish Red Crescent, in collaboration with the Ministry of Family, Labour and Social Services, and local NGOs (Parker, 2019). Based on this structure supported by the Turkish State, IFRC presented the most competitive offer (Parker, 2019).

The World Bank has also confirmed this tendency of the greater influence of the States in the provision of humanitarian aid through their own social protection. (WB, 2018). In countries such as Kenya or the Philippines, prone to the occurrence of humanitarian emergencies of different types, and in which consolidated public social protection networks are available, they have already played a key role providing humanitarian aid through channels used by public programs of socio-economic inclusion and the fight against poverty, and in which the private financial sector channels cash transfers through its office networks (WB, 2018).

## 5. CONCLUSIONS

Humanitarian aid based on Cash Transfers has already begun a rapid transformation of the humanitarian sector, made up of UN agencies and international NGOs, where the economy of scale and the ease of management and monitoring of this type of aid will drive a process of concentration and reduction of actors. In the end, a good part of the aid will pass through the most efficient entities. These ones will remain. The rest of the organizations must undertake a deep process of specialization to differentiate themselves and offer relevant value in some specific humanitarian aspects.

In this evolution of humanitarian affairs, companies are a new actor with which the above-mentioned transformations will accelerate. Its greatest added value in building partnerships with NGOs or humanitarian agencies also lies in one of its most distinctive features, the capacity for innovation and the search for solutions



that help overcome obstacles, of whatever type, in the most efficient possible way, while this allows them to expand business and improve profitability, which in the end supposes their essential objective, although not unique (Mayer, 2016). This has been the essential incentive for economic growth and the emergence of more options with which to address any problem or need (Schumpeter, 1934). If the succession of innovations offers clear advantages, it also involves the appearance of “losers”, the possibility of making companies or NGOs obsolete, and ultimately the emergence of monopolies by those who dominate and have a certain technology (Aithal, 2018), something that, in the near future, can also characterize humanitarian activity due to this concentration trend.

In a scenario of growth and consolidation of public social protection networks, NGOs will see their traditional assistance space reduced, so they should seek added value or complementarity to the distribution of humanitarian aid, managed by entities and governmental programs in charge of *adaptive and shock responsive social protection systems*, to face humanitarian emergencies.

Humanitarian aid in the form of cash transferred directly to people and homes in need, the incorporation of private financial and technological companies into assistance programs, together with a greater capacity of States to support the population in need with basic needs assistance, should lead humanitarian NGOs to rethink their future. In this process of adaptation, humanitarian principles will acquire an essential differentiating value; access and knowledge of humanitarian needs will be an irreplaceable feature of NGOs, while their specialization and building capacities for efficient, effective and ethical public-private partnerships will be key elements for its future sustainability.

To conclude this review on the origins, latest trends and possible evolution of shared work between NGOs and companies in the field of cash and voucher humanitarian assistance, it is mandatory to put people to whom the assistance is intended in the center. Recently, the international community has made progress in establishing frameworks and standards that facilitate the participation of people in need in the design of aid programs, in the process of prioritizing different modalities of support and in the access to the accountability exercise that must go with each intervention (Krueger et al 2016; Metcalfe-Hough et al. 2018). In practice, the application of these principles remains a challenge, due in large part to the asymmetry of power associated with humanitarian aid, where donor agencies and international NGOs make decisions in contexts marked by urgency, with very little capacity for dialogue with people who need help, beyond the initial need assessments in field (Konyndyk and Worden, 2019).

The international community committed to a “*Participatory Revolution*” to include people who receive help in making decisions that affect their lives (Gran Bargain, 2016). More than 10,000 survey respondents in 10 countries said aid is fairer and they feel more respected when decision-making is participatory (Ground Truth Solutions, 2019). In a scenario that tends to focus on efficiency, and the concentration of the number of actors, and to achieve economies of scale in public-private partnerships for cash transfers; it is crucial that NGOs demand space for participation, communication with communities, and accountability to gain trust and access to the population they serve, increase program quality and contribute to resilience and sustainability of interventions (CDA et al, 2019).



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