World Vision
NO CHILD WITHOUT A FUTURE

MAKING THE CASE FOR CASH

Cash-based programming in humanitarian contexts around the world has dramatically increased in recent years. Its prevalence is mainly due to the dignity it gives, as well as being a more efficient and effective use of valuable funds. Studies show cash is spent largely on family necessities, like food and medicines. Cash is also better for supporting local economies, as well as reducing waste from unwanted items and shipping aid over long distances[1].

The organisations who make up the Cash Learning Partnership (CaLP) – including World Vision – collaborate, advocate and build capacity to use cash as an important response modality, with a greater acceptance of the appropriateness of using cash.[2] Since announcing the World Humanitarian Summit 2016 commitment[i3], the World Vision Partnership has achieved a **47%** increase in cash-based programming within our food assistance programming, reflecting this global trend.[4] In 2018, World Vision UK was involved in cash programming to the value of **$1.29m** and this method of aid delivery was used in six countries.

Benefits of cash programming

Last year, World Vision UK commissioned a study on the impact of using Cash and Voucher-Based Programming in emergencies because in just under **20%** of humanitarian emergency projects, we provided such financial assistance. Cash and Voucher-Based Programming is increasingly recognised as adding value to more traditional interventions such as providing food, blankets, cooking utensils or fuel. Cash is provided to people affected by emergencies via mobile phone, in hard currency or in the form of vouchers and grants. Providing cash enables people to gain control of their situation and spend it where and when is most appropriate for their specific circumstance.

Cash programming also has wider benefits: local markets are boosted, and it is potentially more cost effective as it cuts storage and transportation costs. Cash transfers can be provided unconditionally or conditionally. Conditions could require people to attend training or work on community projects, such as classroom construction. In 2017, cash transfers were normally part of other assistance programmes, involving training on business skills or agricultural skills, or on topics such as hygiene and nutrition.[5]

In parts of South Sudan, World Vision provided both Cash for Assets (CFA) and Food for Assets (FFA) programmes (with our partners the World Food Programme). People received food or cash in return for taking part in training on agriculture and fish farming. The evaluation report showed **95.2%** of households in these CFA projects ate at least two meals a day, compared to **89.6%** of those who received traditional food provision. The agriculture training helped people to produce surplus food, and income to cover other basic needs and contributed to increased self-sufficiency and resilience against future disasters.

IMAGE RIGHT: South Sudan: Cash for Training project to improve the economic status of 42,000 in Juba, South Sudan. With her 12-month-old baby on her back, Sunday is guided by the paying agent to put her thumbprint against her name on a list. She then receives cash, which she puts in her purse. Santino is one of the people who are receiving a monthly allowance of about $45 dollars under a Cash For Training (CFT) project to enable vulnerable households in Juba to improve their purchasing power for basic goods and services, particularly food.

1. Professionals in Humanitarian Assistance and Protection (2014) https://phap.org/thematic-notes/2014/march/cash-transfer-programming-benefits-and-risks
2. Cash Learning Partnership (CaLP) report http://www.cashlearning.org/downloads/calpannualreport2017-18.pdf
3. https://www.wvi.org/disaster-management/our-commitments
4. World Vision International website https://www.wvi.org/disaster-management/publication/scaling-people-centred-humanitarian-cash-based-programming
5. World Vision UK Impact Report for year ended 30 September 2017

Loans and microfinance

During recovery phases of emergency projects, in partnership with World Vision's microfinance arm VisionFund, we have provided cash, via microfinance institutions (MFIs).[6] In unstable times, MFIs often stop providing credit due to fear of loan-defaulting. However, this is when people can need funds the most, to restore livelihoods and prevent having to sell off assets. Providing capital allowed MFIs to lend to petty traders in Sierra Leone and farmers in Kenya, Malawi and Zambia. After El Niño, **89%** of farmers who took loans at least partially recovered their business, with **24%** completely recovered. Of note was that repayment of loans during this time out-performed loan repayment in 'normal' times, with **97%** repaid fully and on time.

Beneficiary selection

Projects used different approaches to select beneficiaries. In certain cases, eligibility criteria for cash transfers were decided with local authorities and partners. Unfortunately, local authority participation isn't always welcomed, as local people can worry about political bias. The UK Government's Department for International Development (DfID) cash transfer programme in Zimbabwe involved community members when determining the criteria for vulnerable households. Decisions included women receiving the cash transfers, as even the men suggested women would be better stewards of the cash. As a result, the study found that equity in the household improved, with joint decision-making on how to spend the money. However, project staff also identified an increased risk in gender-based violence (GBV).

Monitoring

Various issues arose when monitoring our cash projects:

- **The Zimbabwe cash transfer project experienced some issues when recipients didn't understand how to use the mobile phone applications.**
- **In Mongolia, some of the beneficiaries could not access assistance due to travel distances required to collect money or access credit.**
- **In Zimbabwe, inflation rises resulted in acute cash shortages, so that people weren't able to access the cash. They quickly adopted a different method, but this incurred transfer fees for each payment.**

Learning and actions

Each approach to financial assistance has advantages and disadvantages. The design of cash programmes needs robust analysis to determine the best approach for that context. Specific learnings are:

- **Gain support from an array of groups including community members and leaders, local authorities and Community Based Organisations to ensure assistance reaches the most vulnerable.**
- **MFIs should be involved where loans are identified as the best approach. This ensures credit remains available to the wider public, thereby keeping the cost of borrowing low.**
- **Financial assistance should not be a stand-alone activity but be accompanied by training such as budgeting and business skills, as a springboard to future development.**
- **Monitoring systems, such as beneficiary feedback and complaints need to be robust and include frequent market monitoring on available goods, and pricing, as well as monitoring GBV issues.**

Going forward:2019 and beyond

World Vision, along with other donors such as the UK government, UN agencies and the EU, is increasing the use of Cash and Voucher-Based Programming in coming years. An important trend is the move to multi-purpose cash programming whereby people are given a lump-sum of cash to cover a number of items, rather than many small payments.

Developing cash programming fulfils an important part of the 2016 Grand Bargain promise: a commitment from the largest donors and humanitarian organisations to get more means into the hands of people in need and to improve the effectiveness and efficiency of humanitarian action.

6. MFI stands for Microfinance Institute. These organisations supply loans and finance schemes to the poor. Generally, they are a lot cheaper to access than banks, but at the same time do not give out large loans.