



# Evaluation and Review of the Use of Cash and Vouchers in Humanitarian Crises

## Part 2: Review Report



**Consultants:**

- **Waheed Lor-Mehdiabadi (Team Leader)**
- **Lesley Adams**

EUROPEAN COMMISSION



Humanitarian Aid

The report has been financed by and produced at the request of the European Commission (DG ECHO).  
The comments contained herein reflect the opinions of the consultants only

## Acknowledgements

The consultants<sup>1</sup> would like to thank DG ECHO's 0/1 Unit for their support in organizing this work.

Most importantly, we would like to thank experts and practitioners from ACF, DFID, SDC, ICRC, IFRC, ODI, WFP, UNHCR, UNICEF, Oxfam, SCUK, BRCS, SIDA, Horn Relief, CRS, CARE (Kenya), and WVI who provided us with valuable insight and documentation that are reflected in this review. We are grateful for their generous contribution, enabling this report to be prepared reflecting a wide ranging emerging experiences and practices in the use of cash and voucher initiatives. We are also grateful to other organizations, researchers and consultants (cited in the text) to whose work we have referred in this document.

The consultants would finally also like to thank Prolog Consult for managing the logistics of this work and for providing valuable reviews and guidance to the preparation of this report.

*Source of cover page picture: Lesley Adams*

***PROLOG Consult***  
*Avenue des Grands prix 80*  
*1150 Brussels, Belgium*  
*www.prologconsult.com*

---

<sup>1</sup> Waheed Lor-Mehdiabadi ([waheedlor@yahoo.co.uk](mailto:waheedlor@yahoo.co.uk)); Lesley Adams ([lesley.adams@clara.co.uk](mailto:lesley.adams@clara.co.uk))

## Abbreviations

ACF/AAH	Action Contre La Faim/Action Against Hunger
ALNAP	Active Learning Network for Accountability and Performance in Humanitarian Action
ATM	Automated Teller Machine
BRCS	British Red Cross Society
CBT	Community-based targeting
CCT	Conditional Cash Transfer
CFR	Cash for Returnees/Refugees
CFW	Cash for Work
CHASE	Conflict, Humanitarian and Security Department (DfID)
CIS	Commonwealth of Independent States
CRS	Catholic Relief Services
DfID	Department for International Development (UK Government)
DG ECHO	European Commission's Directorate-General for Humanitarian Aid
DR Congo	Democratic Republic of Congo
DRC	Danish Refugee Council
DRR	Disaster Risk Reduction
EC	European Commission
ECOSEC	Economic Security (ICRC)
EFSA	Emergency Food Security Assessment
EMOP	Emergency Operation (WFP)
FAFA	Financial and Administrative Framework Agreement
FAO	Food and Agricultural Organization (of the UN)
FEWS-Net	Famine Early Warning System Network
FFW	Food For Work
FPA	Framework Partnership Agreement
FSIS	Food Security Information System
HAP-I	Humanitarian Accountability Partnership—International
HBS	Harvard Business School
HEA	Household Economy Approach
HQ	Headquarters
HR	Human Resources
ICBT	Inclusive Community Based Targeting
ICRC	International Committee of the Red Cross & Red Crescent
ID	Identity

IDP	Internally Displaced Person
IFRC	International Federation of the Red Cross & Red Crescent
IPC	Integrated Humanitarian Phase Classification
LRRD	Linking Relief, Recovery and Development
M&E	Monitoring & Evaluation
MC	Mercy Corps
MSU	Michigan State University
NFI	Non-Food Items
NGO	Non-Governmental Organization
NRC	Norwegian Refugee Council
ODI	Overseas Development Institute
OPT	Occupied Palestinian Territory
OVC	Orphans and other Vulnerable Children
PDM	Post-distribution Monitoring
PRRO	Protracted Relief and Recovery Operation (WFP)
PU	Première Urgence
RHVP	Regional Hunger and Vulnerability Programme (Southern Africa)
RSO	Regional Support Office (DG-ECHO)
SC(UK)	Save the Children UK
SDC	Swiss Agency for Development & Co-operation
SENAC	Strengthening Needs Assessment Capacity (WFP)
SICVP	Special Initiative on Cash and Voucher Programming
SIDA	Swedish Agency for International Development
SLF	Sustainable Livelihoods Framework
SST	Sector Support Team
TA	Technical Assistant (DG ECHO)
UNDP	United Nations Development Programme
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
UN-OCHA	UN Office of Humanitarian Coordination
UNRWA	United Nations Relief Works Agency
USAID/OFDA	United States Agency for International Development/Office of Disaster Assistance
VFF	Vouchers which can be exchanged for food items
VFW	Vouchers for work (work remunerated in vouchers)
VRC	Village Relief Committees
WFP	World Food Programme
WV	World Vision

## Terminology

The key terminology used in this report follows the terminology generally used by ODI and most agencies implementing cash transfer projects.

Term	Use of the term in this report
Basic services	Services which are the minimum necessary for human existence and development (water, health care, education)
Cash transfer	The provision of cash with or without conditions to a person or household in need of goods or services in order to enable beneficiaries to purchase these goods or services in the market place.
Conditional cash transfer	The term generally relates to the provision of a cash grant to beneficiaries, where the beneficiaries are required to fulfil a specific obligation or activity.
Cost-efficiency comparison	A measure which provides a ratio of the resources required for a particular activity/objective compared to the costs associated with alternative approaches
Fact Sheet	Guidance notes for DG ECHO partners which set out the main parameters and conditions for different aspects of DG ECHO-funded operations
Food aid	Traditionally this term has been interpreted as food commodities donated as food aid by governments of countries with surplus production to export. Broader interpretations are starting to emerge within the aid community—which include any kind of assistance which addresses household food insecurity.
Humanitarian aid	Assistance whose sole intention is to prevent or relief human suffering
In-kind	The provision of goods and/or services to a person or household deemed to be in need of these items/services
Safety Net, social transfer	Provision of assistance to households who would otherwise be unable to cope
Unconditional cash transfer	<p><b>(Use by other donors and organisations)</b> this term refers to grants paid to beneficiaries without the beneficiary having to do anything specific in return (see also above, “conditional cash grants”).</p> <p><b>(Use by DG-ECHO)</b> The term “unconditional cash transfers” refers to the use of grants (only) as described by the management note of August 2007. In conformity with its legal parameters DG ECHO has not issued any unconditional cash transfers prior to this management note. As such, all references to unconditional cash grants are in the context of its possible use by DG ECHO in the future only.</p>
Voucher	The provision of a voucher to a person or household which can be exchanged for the goods through a fair or through the market.
Voucher Fair	The organization of an opportunity whereby people who are in need of humanitarian assistance are helped to access it through a fair. Traders with the needed items are invited to supply these in exchange for the vouchers which they submit to the donor for reimbursement after the fair.
Watsan	Water and sanitation programmes

# Table of Contents

Acknowledgements .....	ii
Abbreviations .....	iii
Terminology .....	v
Table of Contents .....	vi
<b>1. Executive Summary .....</b>	<b>viii</b>
<b>2. Background .....</b>	<b>1</b>
2.1 Objectives of this report .....	1
2.2 Methods .....	1
2.3 Brief History of the debate around cash and in-kind assistance .....	1
<b>3. Main report .....</b>	<b>3</b>
3.1 Trends in use of cash and vouchers among other agencies .....	3
3.1.1 Past Trend .....	3
3.1.1.1 Oxfam .....	3
3.1.1.2 SDC .....	5
3.1.1.3 Other agencies .....	6
3.1.2 Types of cash projects: Unconditional and conditional .....	6
3.1.3 Projecting into the Future .....	7
3.1.3.1 Information and Research influencing food aid policy .....	7
3.1.3.2 Advocacy on Social Protection in humanitarian emergencies .....	8
3.1.3.3 Capacity .....	8
3.1.3.4 Funding .....	9
3.2 How other organizations deal with cash and vouchers .....	9
3.2.1 SDC .....	9
3.2.2 DfID .....	10
3.2.3 USAID/OFDA .....	11
3.2.4 The IFRC and the ICRC .....	11
3.2.5 World Food Programme .....	12
3.2.6 UNICEF .....	13
3.2.7 Oxfam .....	13
3.2.8 Save the Children .....	13
3.2.9 Mercy Corps .....	14
3.2.10 CARE .....	14
3.2.11 CRS .....	14
3.3 Use and understanding of Cash & Voucher Terminology .....	15
3.4 Context Monitoring to guide broad strategic planning .....	16
3.5 Situation Analysis, Needs Assessment and Planning of Cash and Voucher Programmes ....	17
3.5.1 Capacities for Analysis and Assessment .....	17
3.5.2 Broad Analysis of the effects of the disaster .....	17
3.5.3 Needs Assessment (impact on the population) .....	19
3.5.4 Response Analysis (including market assessment) .....	20
3.5.4.1 Assessment Options .....	20
3.5.4.2 Market assessment .....	20
3.5.4.3 Decision-making tools .....	20
3.5.5 Other considerations in analysing feasibility .....	21
3.5.5.1 Cost-efficiency .....	22
3.5.5.2 Determining Beneficiary Preference .....	22
3.5.5.3 Risk Analysis .....	22
3.5.5.4 Minimum conditions for cash transfers .....	23
3.5.6 Response Planning .....	23
3.5.6.1 Setting the value of the assistance .....	23

3.5.6.2	Vouchers and fairs .....	23
3.5.6.3	Conditions associated with the assistance .....	24
3.5.7	Planning for withdrawal: Exit Strategies and LRRD .....	24
3.5.7.1	Contingency Planning .....	24
3.6	<i>Implementation</i> .....	26
3.6.1	Targeting .....	26
3.6.1.1	Community-based Targeting .....	27
3.6.1.2	Administrative targeting .....	27
3.6.1.3	Strategies to limit inclusion and exclusion errors .....	27
3.6.1.4	Beneficiary registration .....	28
3.6.1.5	Sensitisation and communication .....	28
3.6.1.6	Recipient verification .....	28
3.6.2	Database .....	29
3.6.3	Cash disbursement systems .....	29
3.6.3.1	Selecting the most appropriate cash transfer system .....	29
3.6.3.2	Field Operating Procedures .....	30
3.6.4	Operational Guidelines and Manuals .....	31
3.6.5	Human Resources (HR) and Capacity Building .....	32
3.7	<i>Monitoring, Evaluation and Organizational Learning</i> .....	33
3.7.1	Overall purpose of M&E .....	33
3.7.2	Monitoring .....	33
3.7.2.1	Progress/activity/input monitoring: .....	34
3.7.2.2	Post-distribution monitoring: .....	34
3.7.2.3	Impact monitoring .....	35
3.7.2.4	Monitoring Risk .....	35
3.7.3	Review & Evaluation .....	35
3.7.4	Pilot Projects .....	37
3.7.5	Organizational Learning: closing the circle .....	39
3.8	<i>Coordination</i> .....	41
3.9	<i>Current gaps: areas for further research</i> .....	41
<b>4.</b>	<b>CONCLUSIONS</b> .....	<b>43</b>
	<b>ANNEX 1: Bibliography</b> .....	
	<b>ANNEX 2: List of persons consulted</b> .....	
<b>LINKS:</b>	Examples which illustrate points being made are to be found in separate documents. Each is named/numbered separately (LINK 1-GHD, LINK 2-WFP assessments etc.); in the present Word version of this document, all the relevant links have been saved on a distinct (Zip) file. In the PDF/CD version, these are to be accessed by clicking on active hyperlinks.	
Figure 1:	Oxfam’s donors for cash and voucher projects .....	3
Figure 2:	regional distribution of Oxfam’s cash and voucher projects .....	4
Figure 3:	funding for Oxfam’s cash projects compared to in-kind assistance .....	4
Figure 4:	SDC cash projects by country .....	5
Figure 5:	Types of SDC’s cash projects .....	6
Table 1:	Comparison of unconditional cash transfer projects .....	6
Table 2:	Typical Effects of Different Types of disaster .....	18
Box 1:	Multi-disciplinary Assessment Team: Skills/knowledge required .....	17
Box 2:	Horn Relief’s Inclusive Community-Based Targeting .....	27
Box 3:	Purposes of M&E .....	33
Box 4:	PDM: Minimum set of questions that should be monitored .....	34

# 1. Executive Summary

## BACKGROUND

1. This report is the second of two reports commissioned by DG ECHO to support the development of a coherent policy regarding the use of cash and vouchers in humanitarian crises. The first report evaluated DG ECHO's partners' use of cash and vouchers. This second report reviews cash and voucher initiatives funded by other donors, as well as meta-analyses and academic research.
2. The purpose of this report is to build on the conclusions and emerging recommendations drawn up in the evaluation report. It has looked at systems and procedures, tools and methods, staff capacity and training, and organizational learning. For key issues identified in the evaluation report as warranting further attention, this report has endeavoured to identify examples of what might be termed "best practice", to highlight relevance for DG ECHO, and to provide recommendations towards the development of DG ECHO's policy and practices on the use cash and voucher initiatives.
3. Areas where best practice has yet to be defined are flagged as useful areas for future research.
4. The recently revised interpretation of legal parameters for DG ECHO cash and voucher initiatives has opened up the potential for provision of unconditional cash transfers to address the needs of additional target groups. This review, therefore, also includes discussions which have not, as yet, been a focus within DG ECHO but which may become important in the future.

## KEY FINDINGS

### Trends in cash and voucher programming

5. The evaluation noted a steady increase in the use of cash and voucher projects within DG ECHO funded programmes since 2000 as well as a relatively limited scale and scope, and high variation within DG ECHO's global portfolio of programmes. This review has found similar trends from other donors: cash and vouchers generally remain a very small component of overall humanitarian assistance, and there is also a considerable geographical variation in use of these approaches.
6. A number of factors suggest that cash and vouchers might become more important in the future:
  - sustained advocacy for food aid reform may encourage implementing agencies to accommodate cash and vouchers within revised food aid strategies;
  - a number of factors may reduce the availability of grain on the world market;
  - the promotion of cash-based social protection schemes has opened up the potential to use cash and vouchers to address humanitarian disasters at a larger scale.
7. Factors likely to limit the expansion of cash and vouchers include a number of issues:
  - partner capacity: a significant increase in requests for funding seems unlikely at the current time—while agencies develop internal capacity, policies, procedures and guidelines;
  - continued concern about inflation and cash transfer risks;
  - funding may also remain a limiting factor;
  - humanitarian donors as a rule do not engage directly with state actors, who typically operate social protection schemes.

- |  |
|--|
| <ul style="list-style-type: none"><li>▪ Increased demands for cash-based assistance to address acute food insecurity, and the calls for food aid reform, may have implications for funding decisions within DG ECHO's food aid department.</li><li>▪ In view of the current trends, DG ECHO is recommended to consider the possibility of allocating increased resources towards cash and voucher initiatives in the future.</li></ul> |
|--|

### Policy approaches

8. Consultation with various organizations' head-quarters has revealed considerable similarities in policy approaches towards cash and voucher initiatives. These concur on key advantages of cash and vouchers—strengthening LRRD, Disaster Risk Reduction (DRR) and disaster preparedness. In addition, it is recognized that these approaches promote choice and dignity for beneficiaries often at reduced cost. Some agencies have published advocacy statements to address bias towards in-kind assistance, particularly in the food aid sector.
9. A number of organisations have adopted a "cash-first" principle—meaning that the default option should be cash—and that only where cash is inappropriate should other solutions be found.



10. No donors or implementing organisations were found to have a stand-alone policy on cash and vouchers, and most view cash/vouchers as two tools in the humanitarian response toolbox—to be used as and when appropriate. The general consensus is that the risks and opportunities for cash, vouchers and in-kind assistance are *different*, hence the importance that is placed on context-specific analysis to determine the most appropriate tool. In some cases standard operating procedures are being revised to incorporate the nuances of cash and voucher programmes within humanitarian response systems in general.

- It is recommended that DG ECHO develops and integrates its approach to cash, vouchers and in-kind assistance within an overall humanitarian resource transfer policy.
- In the immediate term, DG ECHO is recommended to develop a position paper and guidance note on cash-based assistance since this represents a departure from DG ECHO’s standard approach in the past. These documents should reflect best practice regarding appropriate use of cash and voucher assistance.

## **Cash and Voucher Programming best practice**

### *Context monitoring to guide broad strategic planning*

11. In order to make context-specific resource transfer choices, the decision-makers need to be aware of situations where cash and vouchers might be appropriate. This requires some knowledge of the broader picture (and how it evolves), in order to prioritize sectors for intervention, areas in need, and the most appropriate approach to address needs. This in turn requires organisations and donors to develop environmental scanning capacity.
12. Links with early warning systems and other specialists are necessary to monitor the operational humanitarian context. These systems may be able to identify areas where cash may be appropriate, and where further studies may be required.
13. A similar scanning and analysis on regular basis will be useful for DG ECHO in guiding the balance of responses within the Global Plan for countries and the overall funding strategy.

### *Needs Assessment*

14. Needs assessments should distinguish between demand-side failure and supply-side failure in order to reliably determine appropriate response since cash transfers are appropriate mainly for demand shocks and less appropriate where the market is weak.
15. Household economy information is needed to determine an appropriate value for the cash/voucher transfer, the right time for a cash response, and to identify livelihoods activities that households used to do, and will want to return to, through the recovery process. Pre-disaster information on assets and livelihoods activities is also useful for targeting.
16. A number of agencies have developed strong methodologies for emergency livelihoods assessments, and are currently developing guidelines for use within the wider aid community. Additional funding for expert agencies may help develop assessment capacity among more of DG ECHO’s partners.

### *Response Analysis (including market assessment)*

17. Market assessment is critical to determine whether, if cash is provided to households to address lack of effective demand, markets would respond without excessive price increase. A challenge facing most agencies is the lack of staff with requisite skills and lack of market assessment tools. A number of agencies are developing market assessment tools, but further work is required to provide guidance on what degree of complexity is appropriate for different situations.
18. Some organizations have started to incorporate feasibility studies into the planning process, including analysis of key issues (e.g. cost-efficiency) for selecting the most appropriate transfer.
19. Inflation is an area where further work is needed. Agencies need to distinguish, at the planning stage, what level of inflation is “acceptable”, and the “unacceptable” levels which might trigger a contingency action. Direct links are needed with market monitoring systems.
20. Other issues that need to be considered at the assessment stage include cost-efficiency, beneficiary preference and risk analysis. Limited guidance is currently available on these important areas although some agencies are attempting to address these through studies and specific procedures.

### *Decision-making tools*

21. Useful tools have been developed by a number of organizations to help decision-makers think through the necessary questions to determine the most appropriate resource transfer option. Each is slightly different because it relates to the organization’s position on cash and vouchers.

22. A number of agencies have articulated “minimum conditions” or “contra-indications” for cash and voucher projects. A similar checklist for DG ECHO projects would be useful to partners so long as key donor principles (such as flexibility to allow a needs-based response) are incorporated.

#### *Response planning*

23. There are a number of areas where response planning has been weak in the past. These include the setting of the cash/voucher transfer value, a lack of appreciation about the implications of vouchers and fairs for beneficiaries; and limited understanding about the implications of attaching conditions to cash transfers (particularly work).
24. Setting the value: most agencies now make an effort to determine the most appropriate value to be provided rather than providing the cash equivalent of what would have been provided in-kind. Some anticipate price fluctuation and build in contingency actions for different price scenarios.
25. Vouchers and fairs: some agencies have explored the use of vouchers and fairs, revising the approach to suit the interests of beneficiaries as far as possible. One document provides guidance when considering the *implications* of using vouchers (or a mix) as opposed to pure cash.
26. Conditions: a number of agencies have started to plan cash for work programmes which include unconditional cash transfers for those with no labour capacity. This demonstrates a sophisticated level of analysis of vulnerability, and good understanding of target groups.
27. Planning for withdrawal. This remains a weak area of most humanitarian programmes, particularly for those of short duration.

#### *Contingency planning*

28. Contingency planning is not a routine feature of most agencies’ cash and voucher programmes. Agencies need to build into their plans contingency action for particular risks—inflation, corruption and cash transfer security. Some organizations have designed cash transfers such that the value transferred is revised in line with market prices.

- DG ECHO is recommended to continue to support the work of specialist organizations to develop improved methods for collecting and analysing information critical to cash-based assistance. Additional funding may be required to extend the use of these methods among other interested agencies through training, participatory assessment exercises, and production of resources.
- DG ECHO is recommended to guide partners on the type of information expected about markets. This will require collaboration with partners who are currently engaged in developing market assessment tools.
- DG ECHO is recommended to articulate its policy, position and funding flexibilities/limits in response to inflation (anticipated and unanticipated) to ensure that beneficiaries do not lose out.
- Strong links are needed between information collected at the assessment stage, the project design, and monitoring and evaluation systems. These links need to be strengthened in the partner proposals.

### **Implementation**

#### *Targeting and registration*

29. Targeting involves the provision of assistance to a sub-set of a larger population, excluding those who are unaffected, or less affected. The first level is geographic—identifying populations which have been affected to a greater or lesser extent. The second level excludes less-affected households. As cash is inherently more attractive than in-kind assistance, targeting is a key area of concern for many.
30. Targeting and registration includes two basic approaches: (a) those which target using community committees; and (b) those which use administrative structures, or a combination. A number of agencies have developed strong systems for community-based targeting which rely on cohesive communities and trust between the community and the aid agency.
31. Registration presents a challenge for both approaches, and a number of agencies have developed systems for validating beneficiary lists. Those using administrative targeting have started to explore the potential for technology to avoid double registration.
32. Electronic data systems have been developed by a number of organizations particularly when dealing with unconditional cash transfers. Further work is needed to examine what types of database are most appropriate for different contexts and situations.

#### *Cash disbursement*

33. The use of both formal and informal financial service providers in humanitarian assistance has been explored by a number of donors and organisations. One agency's guidelines include a tool to assess the capacity of banks and post offices to act as its cash transfer partner. Another has commissioned a specialist agency to examine all advantages and disadvantages of different enhanced transfer options, such as use of mobile telephony for cash transfers.
34. The increased attention to use of enhanced payment options is an important development as this is likely to increase the cost-effectiveness of cash and voucher initiatives. In DG ECHO's operational niche areas (remote, under-developed and/or conflict-affected) where the traditional/informal money transfer agents are often the only option available, a number of organisations have taken the initiative of making an assessment of these cash transfer agents, and to bring these closer to the main-stream financial system. Such initiatives will need to be further funded and supported.

*Field Operating procedures*

35. Local field operational procedures for managing, disbursing and accounting of cash transfers are being increasingly developed and refined by a number of experienced organisations. Greater sharing of resulting experience among organisations and documentation for such systems by smaller organisations are areas requiring further attention.

*Operational Guides and Manuals*

36. A number of guidelines for dealing with all aspects of cash and voucher programming and operations have been and continue to be published. The ICRC/IFRC guidelines represent the most comprehensive toolbox to date, merging ICRC/IFRC experience with that of other organisations, such as Oxfam. These guidelines provide not only a strong basis for implementation but also grounds for better knowledge and understanding of resource transfer systems that are often perceived as risky for organisational accountability. These documents highlight the fact that cash and vouchers are simply methods of delivering assistance, with their own operational realities and risks that are now being largely understood and addressed.

*Human Resources and capacity building*

37. The small scale of cash-based assistance to date has meant that little attention has been paid to identifying the specific human resource and capacity-building needs. In addition, most of the cash project evaluations also do not study this aspect. However, recognising the need, a few organisations have recently collaborated to develop training modules to help staff understand the basics prior to implementation.
38. Capacity-building and awareness-raising is needed to help the humanitarian partners to deal with the challenges of planning and establishing cash and voucher projects in a context-specific manner. In this regard, the ability of smaller organizations to train and support their staff remains at times constrained by lack of attention to training and funds.

- DG ECHO is recommended to consider supporting both ongoing training initiatives and a wider dissemination of existing guidelines for cash and voucher programmes.
- Agencies to be encouraged to examine the implications of scaled-up cash-based assistance on human resources systems, structures and capacity building needs.
- DG ECHO will need to review and adapt the specific capacities of its own human resources if: a) the number of funding requests for small cash projects from less experienced agencies continues to increase; b) there is an increase in funding requests for unconditional cash transfers; and c) there is an increase in funding requests for larger-scale cash projects.

**Monitoring, Evaluation and Organizational Learning**

39. Monitoring and evaluation (M&E) are still often rather weak elements of humanitarian aid, despite efforts. With cash-based assistance the need for a strong M&E system is crucial if organizations are to be able to learn from past experience and improve on these in future programmes.
40. While progress/activity/input monitoring is usually standard, other elements of an M&E system require greater attention (including post-distribution monitoring and –where feasible- impact monitoring).
41. Some of the guidelines have started to provide specific resources for M&E in the case of cash and voucher projects. In addition, a number of reports demonstrate the sophistication of some organizations' approach to evaluation, as well as their commitment to learning through experience.

42. Pilot projects have been a key feature of cash-based interventions in the past. The value of these projects has been considerable, as a number of organizations have used pilot cash projects to both test innovation and train their staff. There are some issues however, such as the implications of cash transfers on food prices that cannot be tested in pilot projects, and need to be explored using larger scale interventions. To avoid potential pitfalls, it is vital that the pilot projects are used for what they are intended: testing a well-planned but new approach, learning from it, and applying the learning at a cost-efficient (larger) scale—preferably within the same project’s life cycle.
43. A number of knowledge / experience gaps continue to exist for cash-based assistance. These need to be made the focus of future research for DG ECHO and its strongest partners.
44. In order for the experiential learning cycle to function, agencies need to develop systems for organizational learning. This review highlights initiatives within a number of organizations which promote organizational learning for cash and voucher projects.

- DG ECHO is recommended to develop a learning strategy particularly for cash and voucher initiatives. This should include for DG ECHO and its partners effective ways of learning and sharing experience through both pilot and larger-scale projects, supported by formal training events.
- DG ECHO is recommended to ensure that partners’ monitoring and evaluation systems incorporate systematic post-distribution monitoring activities and that greater attention is paid to different types of impact –where feasible.
- DG ECHO is recommended to support efforts to address knowledge/experience gaps through pilot projects and full-scale action research.

### **Coordination**

45. Sharing of information at the assessment and planning phase is critical for harmonized response, and this is particularly important with cash and voucher projects. However, sectoral working groups rarely discuss the type of resource provided, and there is an urgent need for such bodies to require implementing agencies to determine and provide the most appropriate resource transfer in each situation. Donors such as DG ECHO can play an important role in this regard.

- DG ECHO can encourage other donors and operational partners to share information about the use of cash and vouchers. It should also encourage coordinating agencies to incorporate discussions about cash and voucher transfers in sectoral meetings.
- In order to do this, DG ECHO will need to enhance capacity among field staff and key RSO staff to tackle these issues.

### **Current opportunities**

There are a number of broader research issues for cash and voucher projects that should be explored. These include the implications of using cash and vouchers to address a number of areas where in-kind assistance is perceived as being more appropriate, but where there is emerging evidence that cash and vouchers can play an important role. These include use of cash and/or vouchers:

- to address nutritional objectives;
- in child protection programmes following major disasters;
- as compensation for death and disablement;
- in temporary shelter programmes (supporting hosting or building transitional shelter);
- to stimulate recovery of small and petty traders;
- to help households access basic services where these are not free;
- as part of decentralized approaches geared towards empowering communities to take greater control over the recovery process.

### **CONCLUSIONS**

This review has confirmed that cash and vouchers present DG ECHO and its concerned partners with the potential to achieve greater positive impact among beneficiary populations with enhanced cost-efficiency in a context-specific manner. A number of factors may prompt an increase in the number of proposals submitted to DG ECHO in the future. At the same time, capacity constraints may limit the scale, pace and scope of any increase.

Cash and voucher programmes need to be conceptually integrated within existing humanitarian structures, systems, policies and procedures. Cash and vouchers should be seen as two options among a number of options—each of which are appropriate in different contexts. The tendency to think of cash and vouchers as “distinct” and “special” has distracted attention from an important question for humanitarian assistance in general: “what is the most appropriate, effective and efficient way of helping affected households meet their needs in a given context”?

Because in-kind assistance has been the default approach for so many years, the use of cash and vouchers represents a radical departure from the norms of humanitarian practice. It is therefore useful for DG ECHO and partners to articulate their position on the use of cash and vouchers, and establish operational procedures. This may help bring humanitarian resource transfers in line with humanitarian principles and standards, and discourage the default adoption of supply-driven strategies.

Capacity development of DG ECHO and partner staff should be given greater attention in the future. This will involve development of capacity at all stages of the project cycle, but particularly at the assessment/planning stage. Examination of the implications of cash and voucher transfers for human resource systems and structures will be needed if cash and vouchers are used at larger scale.

To underpin its policy on the use of cash and vouchers within humanitarian assistance, DG ECHO needs to provide its partners with guidelines and specify what it requires from partners (considering the reality of the operating context). These issues include: the type of assessment required; risk analysis; cost-efficiency comparison; and contingency plans for dealing with key identified risks. While a number of guidelines are available to support partners in cash and voucher programming, DG ECHO should specify the supporting information required from partners in project proposals and reports.

As cash and vouchers are known to enhance disaster preparedness, LRRD, and DRR, a further area where DG ECHO could expand its support is the development of instruments and capacity to collect information relating to these areas.

DG ECHO and its partners need to enhance structures and systems for organizational learning in order to implement and innovate within acceptable limits of risk. Adequate monitoring and evaluation systems are required in order to better consolidate lessons learned for incorporation into future strategies and programming. Existing knowledge gaps are identified here and recommended to be examined through pilot projects and action research, and the results to be shared through DG ECHO’s website.

DG ECHO will be able to determine whether its humanitarian response makes appropriate use of cash and vouchers if it plans, monitors and evaluates all cash, voucher and in-kind assistance projects from the perspective of the beneficiary, while asking: “what is the most appropriate, efficient and effective way to help affected populations meet their needs and recover lost livelihoods in this humanitarian context?”. It is always worth remembering that major international actors, such as the UN Evaluation Group, have been consistently putting forward three key evaluation questions which could also be used to assess all forms of humanitarian resource transfers: “did we do the right thing?”, “did we do it right?”, and “are there better ways of doing it?”.

## 2. Background

### 2.1 Objectives of this report

This report is the second in a series of two studies. The first (the “*evaluation*”) examined DG ECHO-funded cash and voucher projects, drawing out lessons learned from these projects and implications for DG ECHO in the event of expansion. The report noted that, thus far, the scope and scale of cash and voucher projects has been quite limited, but that, where DG ECHO and partners used a cash approach, the impact on beneficiaries, and perceptions of implementing staff, has been positive. The evaluation report concluded by highlighting a number of areas requiring attention, and made preliminary recommendations for DG ECHO policy consideration.

This second report (the “*review*”) goes on to explore how other agencies and donors have approached cash and vouchers. As such, this report starts with a brief outline of the history of the cash and voucher debate; it then reviews the relative importance of cash and voucher projects for different agencies—both implementers and donors; then, using the project cycle as a framework, it examines policies and practices in use, highlighting where possible those which could be defined as “good practice”, and those which are relevant for DG ECHO to adopt or adapt. This report goes on to identify current gaps requiring further research. The conclusions and final recommendations summarize the consultants’ opinions on the policy implications for DG ECHO for an expanded portfolio of cash and voucher projects.

The bibliography section at the end contains references cited within the text as well as other relevant documents and articles. The LINKS (inserted at relevant places within this document) refer to best practice examples taken from reports and guidelines, and are included for illustration purposes. Readers should consult the cited reference for more information.

### 2.2 Methods

Standard review methodology was used. This report builds on interviews with field personnel, on additional information gained from discussions with staff at headquarters, and secondary literature review (see ANNEX 1 Bibliography). The donors and agencies consulted/studied for this report include:

- donors: SDC, DfID, (SIDA, ODA/USAID desk review only);
- implementing organizations Oxfam, Horn Relief, SCUK, ICRC, IFRC, BRCS, CRS, CARE (Kenya), WFP, UNICEF, WV, ACF, UNHCR;
- policy and research institutions: ODI.

For a list of individuals interviewed in person, by phone or by e-mail, see ANNEX 2.

### 2.3 Brief History of the debate around cash and in-kind assistance

The debate around cash and vouchers has featured an increasingly large body of research. A synthesis is not attempted here as a number of studies have covered this issue quite well. This section provides a brief overview highlighting events of relevance to DG ECHO.

In the late 1990s the responses of several agencies to Hurricane Mitch included cash and vouchers, and the publication of two reports published around this time (Peppiat *et al* 2000, Peppiat *et al* 2001) brought cash and vouchers firmly onto the humanitarian agenda. The ODI publication (Peppiat *et al* 2001) noted that cash and vouchers were not “new”—chapter 2 outlines cash transfers in Sudan and in Ethiopia in the 1980s implemented in response to major food emergencies. There remained, nevertheless, “a reluctance to include cash-based responses in emergency response portfolios”. The study suggested three major areas for further investigation: patterns of use of cash in different situations; the need to explore how cash might be used to support recovery while ensuring consumption needs were met; and a better understanding of how the market might *respond* if cash transfers were provided in order to address the problem of lack of effective demand. Research on patterns of use is now a standard element of best practice in cash projects, and (often linked to this) some studies have looked also into the second question: the potential for cash transfers to achieve a dual objective of livelihoods recovery and basic needs assistance at the same time. The third area of research: the relationship between cash transfers and market prices and market functioning, has attracted some attention but a lot remains to be done.

In 2004, responding to the lack of well-documented experience, the ODI launched a cash and vouchers learning project. The discussion paper (Harvey 2005), published just after the tsunami that struck the Indian Ocean coastal population, provided a valuable resource for agencies embarking on cash transfers in the post-tsunami context. The overall ODI cash and voucher research included also a desk study on cash interventions in Afghanistan (Hoffman 2005) and the Tsunami Learning Project (which resulted in a number of workshop reports, a consolidated final report, and a set of guidance notes on key topics). The ODI's overall cash learning project ran for 3 years (ending in late 2006), and culminated in a second meta-analysis consolidating experience and learning during the course of the project (Harvey 2007).

The ODI project did not examine social protection in detail, and this topic lies beyond the scope of this review also, but it is of interest in so far as cash-based social protection schemes have the potential to be expanded to disaster-affected areas relatively easily in humanitarian emergencies (as DfID and others suggest).

The ODI project also was not able to explore the use of unconditional cash transfers as part of an emergency food aid response as it has received limited attention from key food aid implementing agencies. However, key research reports and advocacy on the need to reform food aid has led a number of agencies to review their position (see section 3.1.3.1, page 7). A number of organizations are exploring the use of cash or vouchers to address acute food insecurity where food aid would otherwise be the default response (such as Oxfam, Save the Children, and more recently WFP and World Vision).

A summary of the cash/voucher discussion papers, reviews and learning projects is not attempted here; readers are advised to consult the relevant papers directly. However, there are some key points that are worth drawing attention to at this stage.

- These reviews emphasize that cash and voucher projects are *extremely variable in nature*, and that a *standardized approach is both inadvisable and impossible*. However, the review of experiences is useful in explaining how different agencies addressed key challenges in different contexts.
- Organizational learning around cash and vouchers is only possible with *strong monitoring and evaluation systems*. Where these have been established it is often because the organization has particular concerns around the use of cash and vouchers, and/or desires to learn from what is usually a departure from the standard approach in order to improve on performance the next time.
- The discussion on cash and vouchers has sometimes been described as “polarized”, both within organizations, and between organizations. In practice the vast body of empirical research recognizes the need for *flexibility* to respond appropriately to different humanitarian contexts and affected target groups’ needs. Many organizations now advocate for a *mixed approach*, but there has been little discussion on what combining cash/vouchers and in-kind assistance means, when it adds value, and when mixing cash and in-kind assistance might be inappropriate and/or inefficient.
- The terminology around cash and vouchers is becoming relatively standardized (see section 3.3, page 15). However, one trend that is notable is the use of the terms “*advantages and disadvantages*” when comparing different response options. Earlier discussion papers (e.g. Mitchell *et al* 2000) used the terms “opportunities” and “risks”. It seems that as advantages and disadvantages are consequential on two broad factors—the way the programme is implemented, and the context—it seems also more appropriate to consider advantages and disadvantages when weighing up options for a *specific* context; otherwise it may be more appropriate to speak of *risks* and *opportunities* when discussing resource transfers in general.
- The routine focus on cash and vouchers in these reviews precludes consideration of what is ultimately the key question: *what resource transfer approach in a given context would be most cost-effective to address assessed needs, while being acceptable to the target population?* This question should underpin all stages of the project cycle.

### 3. Main report

This section examines key issues relating to cash and voucher programming. For each issue, this section will endeavour to: a) explain how the issue is addressed by other agencies (including DG ECHO partners); b) provide examples; c) discuss the relevance for DG ECHO (utility potential); and d) draw out recommendations for DG ECHO in terms of its emerging policy.

#### 3.1 Trends in use of cash and vouchers among other agencies

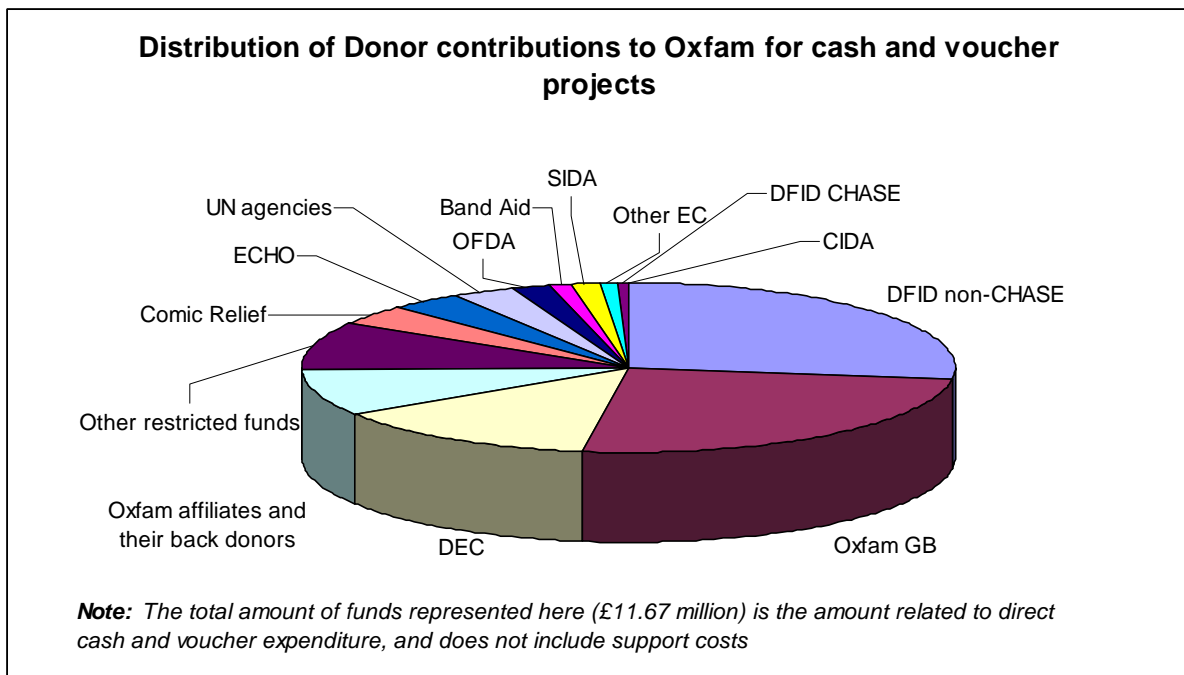
##### 3.1.1 Past Trend

The evaluation report noted a gradual increase in DG ECHO funding for cash and vouchers over the last six years; within this general increase, however, there exists considerable variation globally. This section looks at trends among other donors and among a few implementing organizations which have been able to provide quantitative analysis.

###### 3.1.1.1 Oxfam

Oxfam GB has analyzed funding for its cash and voucher projects over five financial years (from 2003/4 (spent funds) to 2007/8 (budgeted)). Over this period around £11.7 million (€16.4m)<sup>2</sup> of the total funding received has gone directly to beneficiaries. The largest donor is DfID, which has provided around £3.19 million (€4.47m and 27%) of the total funds. Oxfam’s own funds have been the second biggest source of funding (£2.93 million (€4.11m) or 25%) and its affiliates the fourth (9%). The DEC has provided the third biggest amount of funds. DG ECHO provided £0.43 million (€0.60m) which represents under 4% of the total funds for Oxfam’s cash and voucher initiatives.

**Figure 1: Oxfam’s donors for cash and voucher projects**

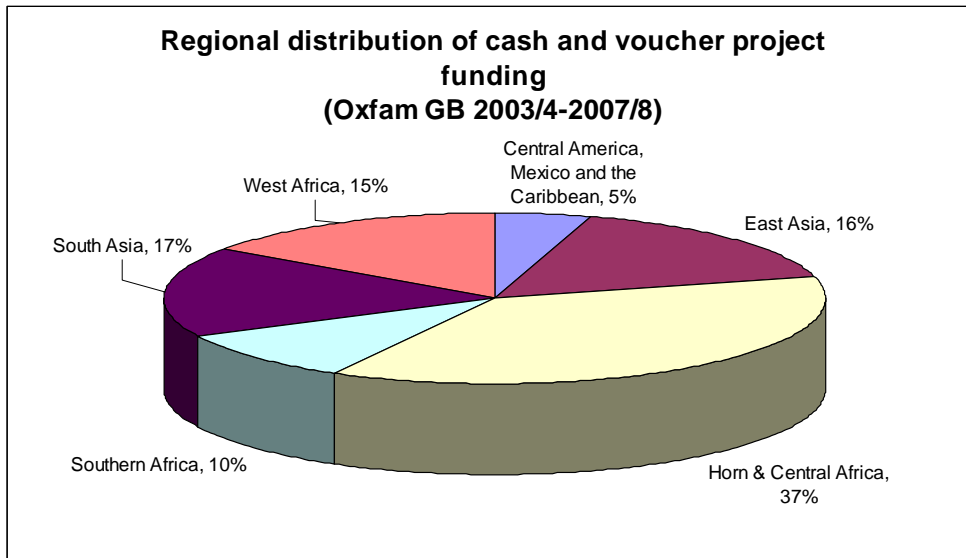


<sup>2</sup> An exchange rate of €1.4 to £1 is used in this report to ease comparison, regardless of the date of intervention.



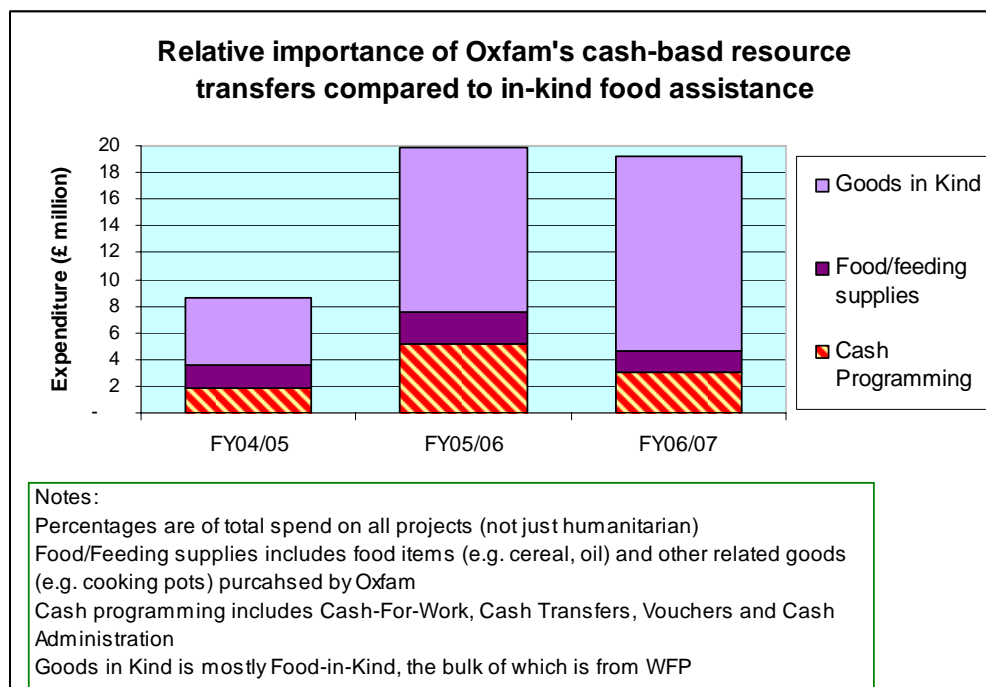
In terms of geographic coverage of cash and voucher interventions within Oxfam, the region which has used the largest single share of the total funds is HECA (Horn, East and Central Africa) – see Figure 2.

**Figure 2: regional distribution of Oxfam’s cash and voucher projects**



Oxfam is the only agency that has been able to analyse the relative importance of cash and voucher projects compared to projects where it has distributed food—purchased either by itself, locally, or provided by WFP. The relative importance of cash and vouchers as compared to food transfers is not insignificant (as it is in many other organizations), and in 2005/6 cash and voucher transfers amounted to nearly one-quarter of all food-related resource transfers, the proportion decreasing to 16% in 2006/7 (see Figure 3). There are no discernable temporal trends in Oxfam’s use of cash and vouchers.

**Figure 3: funding for cash projects compared to in-kind humanitarian assistance**



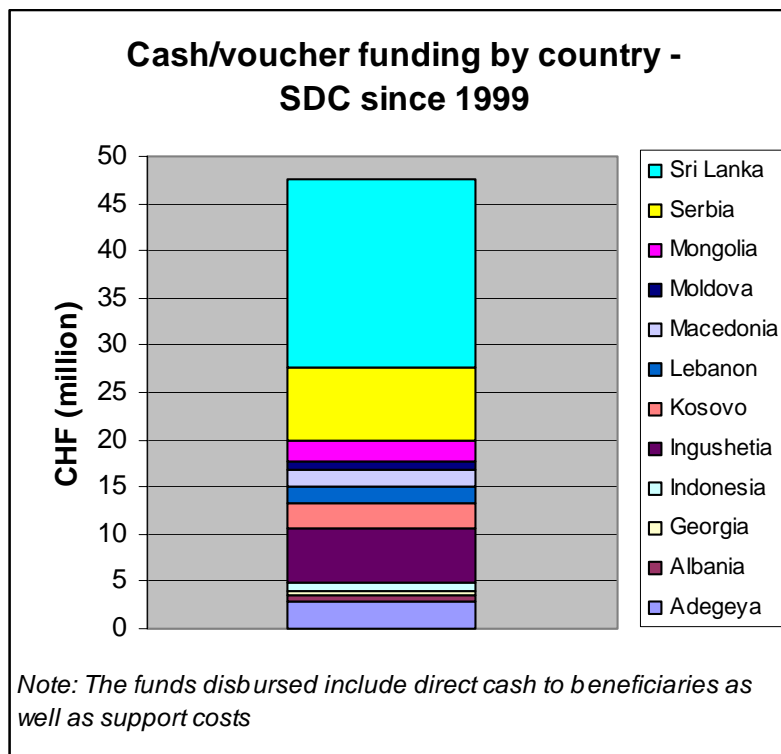
In terms of sectors where cash and vouchers are used by Oxfam, the focus has been within its food security/livelihoods sector. Emergency assistance (which includes provision of NFI kits and hygiene items) has been largely in-kind: some Oxfam staff suggested that quality (durability) was a key reason why hygiene items (such as buckets) need to be supplied from the UK. Field managers also report that in-kind supply is often logistically much easier in the immediate aftermath of a disaster, with well-established

systems already set up to address these needs efficiently and in a timely manner. The potential for use of cash or vouchers within the water and sanitation sector, or as part of an emergency shelter response, has not been explored. However, cash-based labour payments are favoured by engineers over food for work because of the need for quality outputs.

### 3.1.1.2 SDC

The Swiss Agency for Development and Co-operation (SDC) website lists 19 distinct cash and voucher initiatives since 1999, the first of these being a cash for shelter programme in Albania. Its first experience of cash and vouchers was, in fact, earlier—cash support provided to Bosnian refugees to help them return home from refuge in Switzerland. This programme, which reached 10,000 individuals, providing CHF 4,000 (around €2,440)<sup>3</sup> to adults and half this amount to children, transferred a total of CHF 40 million (€24.4 million) direct to the beneficiaries. Since 1999 SDC has allocated a total of around CHF 48 million (€29.3m) for cash initiatives.

**Figure 4: SDC cash projects by country**



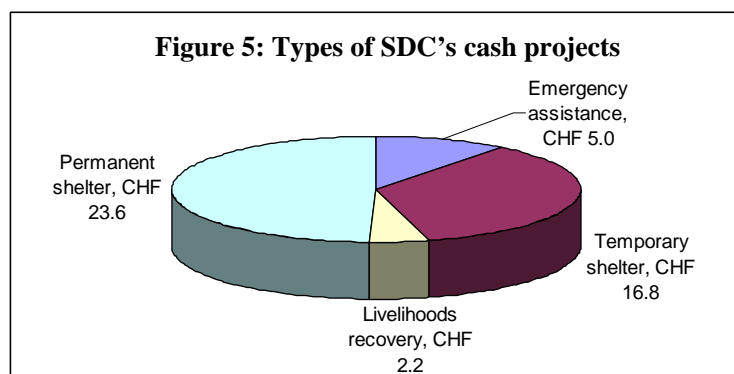
The majority of the agency’s interventions come from one geographical division (Europe and CIS<sup>4</sup>). The Middle East and North Africa division, and the Africa division, have not yet supported any cash-based humanitarian initiatives. Figure 4 shows the countries where cash and voucher projects have been implemented.

The types of projects funded by SDC are distinctive, reflecting its desire to add value, and to undertake projects that other agencies are not doing, or cannot do.

Figure 5 below shows the relative importance of different types of projects. The apparent importance of permanent shelter projects is a reflection of the large amount of funding (CHF 20m, around €12.2m) allocated to the “Cash for Repair and Reconstruction”

initiative in Tsunami-affected Sri Lanka which alone made up around 42% of total funding allocated to cash and voucher projects over this period.

Next year a bill will be proposed to the Swiss parliament relating to Swiss development cooperation to a value of CHF 1.2 billion over 5 years. As “efficiency” will be a key component in this bill, it is likely that there will be increased attention to use of cash within other sections of the agency.



<sup>3</sup> Exchange rate used for comparison: 1 Swiss Franc = 0.61035 Euro (source: OANDA.com, 18/11/07)

<sup>4</sup> Commonwealth of Independent States (an alliance of some of the former Soviet republics).

### 3.1.1.3 Other agencies

**Save the Children UK** responded to 13 of the last 19 major disasters with a “hunger” theme intervention. Of these, cash transfers were a core component in 9 emergencies, food aid in 3, and 6 projects each were established to address malnutrition and to restore livelihoods (input provision). In one case (Mozambique) cash transfers were planned, and funding had been agreed, but the local government representative ruled out cash transfers in favour of food aid.

**ICRC** has noted a steady increase in the number of cash and voucher projects implemented over time—rising from two in 2002 to 7 in 2006, 9 in 2007 and even more are planned for 2008.

### 3.1.2 Types of cash projects: Unconditional and Conditional

The majority of humanitarian cash projects to date implemented by all agencies have attached some type of condition to the transfer. For instance, cash for work projects have required beneficiaries to work in return for the money; de-stocking projects have provided cash transfers to households in return for animals for slaughter (e.g. Save the Children in Isiolo, Kenya in 2006); cash transfers for returning refugees have been associated with the repatriation process.

By far the most common type of cash transfer is cash for work. However, a number of agencies have recognized that unconditional cash transfers may be more appropriate than cash for work in specific contexts. Save the Children Isiolo, for instance, opted for an unconditional transfer because the assistance was scheduled to coincide with the height of the agricultural labour season, and the agency wanted to avoid distracting beneficiaries from critical farming activities.

Where cash transfers have been provided without a labour requirement, or other condition, the total cash transferred has varied quite considerably. Projects which have transferred relatively small total amounts of cash to beneficiaries include:

- Pilot projects: providing cash transfers to a limited number of beneficiaries compared to the total caseload (e.g. WFP pilot project in Sri Lanka covered 12,000 beneficiaries out of a total caseload of 312,000).
- Cash as a complement to food transfers (e.g. CARE and Save the Children in Aceh, Indonesia in 2005/6 provided a small cash transfer alongside a food voucher).
- Unconditional cash transfers provided alongside a cash for work project (for needy families with no labour) (e.g. Save the Children’s cash transfers in Ethiopia prior to 2006).

However, other projects have transferred significantly larger sums of money. The following table lists some key unconditional cash projects implemented by NGOs and one UN agency (WFP) for which information was available at the time of writing this report:

**Table 2: Comparison of unconditional cash transfer projects  
(in terms of total sum of cash transferred)**

Agency/ country	Total cash transfer (project currency)	Details (source: project evaluations/reports/plans)	Timing	Ex rate *	Value in Euros for comparison
World Vision Lesotho	\$1,858,320	6,500 HH receive approx \$50 per month for 6 months	Dec '07 to May '08	0.68677	€1,276,238
Save the Children Swaziland	£1,012,000	6,074 households receive two lump-sum cash transfers (£32) at start and end of project (livelihoods protection/investment) plus monthly cash transfer for 4 months (£3.24 per household in addition to £1.98 per person in each household).	Nov '07 to April '08	1.37669	€1,393,210
Oxfam Zambia	£792,688	ZMK 90,000 per month provided to between 10,500 and 13,500 households for 5 months.	Nov '05 to march '06	1.46396	€1,160,464

Agency/ country	Total cash transfer (project currency)	Details (source: project evaluations/reports/plans)	Timing	Ex rate *	Value in Euros for comparison
Helvetas, Sri Lanka	LKR 118,800,000	LKR 3,300 per month for 6 months to 6,000 host families	June to Nov '05	0.00819	€972,972
Oxfam and Horn Relief in Southern Somalia	\$1,003,700	16,260 HH received a one-off \$50 cash grant, plus unconditional cash transfer to approx. 890 labour-poor households within CFW project	June '06	0.78931	€792,230
Horn Relief, N Somalia	\$691,500	13,850 HH received a one-off cash grant of \$50	Jan '04	0.79373	€548,864
Oxfam Malawi	\$440,000	MK 2,500 per month provided to 4-6,000 households for 5 months	Nov '05 to march '06	0.83765	€368,566
WFP Sri Lanka	\$216,000	12,000 beneficiaries (out of a total of 312,000) received a cash transfer of \$1.5 per person per week for 3 months	Nov '05 to Jan '06	0.83984	€181,405

\* source: OANDA.com (average value for the months when the project was implemented)

The largest projects tend to be those where cash transfers have replaced food relief. Often, where food relief is deemed inappropriate and replaced with a cash transfer, the implementing agency decides to set up a cash for work project. However, in some cases implementing agencies have determined that a work element is inappropriate for the target population, and have intentionally opted for an unconditional cash transfer. The implications of this information for DG ECHO relate to the ceiling (for NGOs) of Euro 100,000 for unconditional cash transfers to disaster-affected populations. It is too early to predict to what extent the demand for funding of unconditional cash transfers will increase, or whether such projects will continue to be exceptional. The issue depends largely on the capacity and willingness of key food aid agencies to implement large-scale unconditional cash transfers, and the number of situations where the assessment determines a labour component is inappropriate.

### 3.1.3 Projecting into the Future

Discussions with most organizations have revealed a general intention to become more involved in the use of cash and vouchers as part of humanitarian response (among those who have not made much use of these approaches in the past), and an intention to scale up (among those which have some experience). UNICEF's recent review (Jaspars et al 2007) for instance, suggested a number of areas where UNICEF might usefully consider using cash and vouchers (see section 3.2.6, page 13). World Vision has embarked on its first major cash and voucher experience in a humanitarian food programme, and the increasing number of agencies calling for food aid reform (and the inclusion of cash and vouchers as an option)—most recently, FAO—suggests that an increase in the use of cash and vouchers to address acute food insecurity may follow.

However, cash is unlikely to play a significant role in a number of emergency recovery sectors unless sectoral working groups routinely table discussions on the feasibility, advantages and disadvantages of all resource transfer options to address a variety of needs among different groups and areas.

#### 3.1.3.1 Information and Research influencing food aid policy

Food security and food aid agencies have been strongly influenced by a number of seminal reports which have drawn attention to the need for food aid reform. These studies include the following.

- Clay et al (2005)—“The development effectiveness of food aid: does tying matter?": a critical perspective on the efficiency of food aid, which are of relevance to the use of cash and vouchers.
- Clay (2007)—a commentary on the Doha round proposals on international food aid; particular issues under negotiations have relevance to cash and vouchers.
- Barrett & Maxwell (2005)—“Food Aid After Fifty years: recasting its role” and Barrett & Maxwell (2004)—“PL480 Food Aid: We can do better”.

- Oxfam Briefing Notes: “Food Aid or Hidden Dumping: Separating Wheat from Chaff” (Oxfam 2005a); and “Making the Case for Cash: Humanitarian Food Aid Under Scrutiny” (Oxfam 2005b)
- CARE (2006) “White Paper on Food Aid”: CARE USA’s policy revision on food aid monetization and policy review regarding its use of a number of sources of US government food aid.

One organization which has not had much direct involvement in cash -based assistance in the past is FAO. However, its 2006 annual report (FAO 2006) focused on the use of food aid to address food insecurity and the need for food aid reform. It examined in depth a number of key issues, as follows.

- Sustainable food security: What role for food aid?
- Dependency: Does food aid create perverse incentives?
- Disincentives: Does food aid undermine local agriculture?
- Distortions: Does food aid distort trade?
- Humanitarian emergencies: Why is food aid the default response?
- Bridging the relief–development divide.

The report noted that food aid continues to be the *default response*: “food aid is usually the most readily available resource in crisis situations – donors know how to give it and agencies know how to deliver it – so it becomes the default response.” In addition to “food aid [being] a relatively expensive and slow intervention”, it also noted the need to consider other approaches:

“Although measurable production effects are small, the empirical evidence suggests that commodity food aid can disrupt local markets and undermine the resilience of local food systems. Instead, where sufficient food is available in an area and markets work reasonably well, cash-based transfers or food vouchers can stimulate local production, strengthen local food systems and empower recipients in ways that traditional food aid cannot.” (FAO *ibid.*)

### 3.1.3.2 *Advocacy on Social Protection in humanitarian emergencies*

In addition, one researcher has looked at World Bank support to government cash-based humanitarian assistance after disasters. Heltberg (2007) reviewed the social protection (income) support provided to households in the wake of major natural disasters. He argued that while this kind of assistance has a positive impact both on short-term food security and long-term recovery, “it could be geared for greater impact and more efficient delivery in future by the use of a *best practice toolkit* and a right-on-time *technical assistance facility*, as well as its *integration in emergency preparedness and capacity building* for implementing agencies.” All agencies need to pay greater attention to this type of assistance, and when national government systems are unable to provide this type of assistance it may be useful for NGOs to consider developing a coordinated system to provide such support to vulnerable households if appropriate.

### 3.1.3.3 *Capacity*

A rapid increase in interest (and proposals submitted for funding), however, seems unlikely in the short-term due to capacity and experience limitations. Agencies are generally cautious about cash and voucher programmes and are more likely to prefer piloting such projects in a succession of countries and in a variety of contexts, as this allows both the organisations and their front-line staff to develop the necessary competence and confidence. Most are well aware of their own limitations, and the lack of a sufficient number of technical staff who could (for example) undertake assessment and feasibility studies. The use of cash in work projects has been important in the past. This is likely to continue to increase as the work element makes easier many of the challenges which are associated with cash grants—such as targeting, inflation risk and cash management in particular. In contrast, unconditional cash transfers remain challenging for most agencies, and many are unlikely to propose such interventions without adequate preparation.

There are emergent signs of greater collaboration between large food aid agencies and those with significant cash experience. WFP’s partnership with Oxfam in its Sri Lanka cash pilot project is an early example, and ongoing discussions in Kenya between WFP and INGOs with cash experience may result in other models of collaborative experiential learning. However, an increase in both scale and scope of cash or voucher transfers to address acute food insecurity in humanitarian contexts remains largely dependent on WFP’s emerging policy, due to the agency’s position as the largest food aid implementing agency. Other influential factors include the position taken by WFP’s in-country senior management team, the ability of WFP’s operational partners to programme cash, the position of the world’s largest food aid donor (USAID) and the Doha round negotiations.

### 3.1.3.4 Funding

It is not clear to what extent availability of donor funding is an important factor constraining the ability of implementing agencies to programme cash and vouchers. FAO (2006) highlights the problem of unpredictable funding, and the funding bias towards food aid interventions in general. Indeed, several agencies met during this review reported a difficulty in accessing funding for cash and voucher operations in some contexts (resorting, for instance, to food for work because food, rather than cash, was available).

The FAO report, however, draws on the commentary of Darcy and Hoffman (2003) to highlight also the “supply-driven analysis of requirements, with front-loaded assessments failing to capture the changing nature of needs and risks as crises evolve” (FAO *ibid*).

Meanwhile, a number of new donors are exploring various aspects of cash and voucher use. SIDA, for instance, has recently completed an internal review of cash/voucher projects worldwide, and others have commissioned studies to explore the use of cash and vouchers in specific contexts, e.g.:

- SIDA funded Oxfam and partners for a pilot cash transfer in Southern Somalia (cash for work and unconditional cash transfers);
- the Netherlands embassy in Ethiopia funded Save the Children’s cash and voucher pilot projects up to 2005. It saw potential in market-based approaches of driving rural economic development by strengthening rural—urban links (Adams & Kebede 2005);
- the Norwegian embassy in Kampala commissioned a study in 2006 to explore the use of cash-based assistance in Northern Uganda (Levine 2006).

While funding might not be the major constraint, it is still an important limiting factor restricting the use of cash and vouchers within humanitarian assistance. Donors need to be proactive and prepare themselves to respond to increased demand for funding for these types of projects—as and when partners develop competence and confidence in cash-based programming. The ability of donors to respond to needs is a core principle of the Good Humanitarian Donorship initiative (see [LINK 1](#)).

#### Recommendations for DG ECHO

- Advocate for and support humanitarian coordination bodies (e.g. cluster groups, sectoral working groups) to routinely consider not just commodity supply and numbers of people in need, but to consider also what the most appropriate resource transfer options might be for different groups/needs.
- Explore further the potential for using the Food Aid budget line to address acute food insecurity using cash and vouchers where these approaches are identified as feasible and appropriate.
- Anticipate an increase in funding applications for cash and voucher projects, and consider how to build in-house capacity (among the cash focal points in Regional offices, desks and the field personnel) to respond adequately.
- In order to promote knowledge and experience among partners and other players, DG ECHO should fund specific studies in the use and implications of cash and voucher initiatives (see section 3.9, Current gaps: areas for further research, page 43).

## 3.2 How other organizations deal with cash and vouchers

This section considers how other agencies deal with the issue of cash and voucher transfers by considering a number of questions: are cash and voucher projects treated as “special” in some way? Do agencies have a specific focal person or section to lead on these initiatives? Do they have specific policies, or statements, relating to cash and voucher use? Or is cash treated just like any other resource transfer, mainstreamed as one option among a number of options to address humanitarian needs? Have they developed guidelines to support implementing teams?

### 3.2.1 SDC

SDC (Swiss Agency for Development and Cooperation) falls under the Federal Ministry of Foreign Affairs. Its Humanitarian Aid Department is the one that has been most concerned with cash projects thus far, and it

has implemented directly or in collaboration with partners (ICRC, IFRC, the UN, and Swiss NGOs). While SDC established a section in 2002 to deal specifically with cash projects (“Project Team Cash”)—with a staff member designated as focal person for cash—it has no formal policy on these approaches. The use of cash has been mainly restricted to one of its four geographic regions.

SDC has established a number of parameters for cash and voucher projects. An important exclusion relates to the use of vouchers—only cash grants (conditional or unconditional) can be provided. SDC also has a number of “pre-conditions” which need to be satisfied in order to give the go-ahead for a cash project: (a) *a conducive market situation*; (b) *a functioning banking system*; (c) *a conducive security situation*. Moreover, if corruption is widely prevalent, or if inflation is likely, the scale of implementation may be restricted. SDC believes that cash transfers are easier before or after a natural disaster, more difficult before or after a conflict, and mainly inappropriate during a disaster or conflict.

### 3.2.2 DfID

The UK Government’s department for International Development (DfID) has no specific policy on use of cash and vouchers *per se*. Its cash-based interventions feature within programmes managed by a number of its teams, including the social protection team, the Africa Conflict and Humanitarian Unit, and the Fragile States team. Although DfID is recognized as a donor in favour of cash where appropriate, the number of cash and voucher humanitarian projects funded by DfID is reported to be “very minor” compared to its overall assistance. DfID favours cash over food in non-emergency situations where conditions are appropriate, with interventions underpinned by context-specific analysis. A key advocacy message for DfID is to draw attention to the need to replace, where possible, the use of humanitarian assistance to address chronic poverty, and to establish predictable and guaranteed social transfers, whether in the form of food and/or cash, or inputs. DfID also recognizes the value of cash transfers in humanitarian emergency contexts. It has funded a number of innovative uses of cash which it sees as having potential to integrate the principles of disaster risk reduction into relief programmes.

DfID is currently working with the governments of Ethiopia, Kenya, Malawi, Zambia and Lesotho to develop long-term cash-based safety net programmes of sufficient size to meet the needs of those affected by chronic hunger. DfID is also supporting the Southern Africa Regional Hunger and Vulnerability Programme (RHVP) to develop vulnerability information systems which can provide options on how to respond (through safety nets or emergency assistance) and including analysis as to whether food or cash is more appropriate to the context.

Key concepts which underlie DfID’s approach to aid include:

- the Sustainable Livelihoods Framework (SLF) (DfID 1999);
- the Social Protection Framework. DfID’s position on social transfers and chronic poverty is outlined in a “practice paper” (DfID 2005). A number of briefing papers outline the links between social protection and economic growth (DfID 2006c) and provide guidance on when different forms of social transfers may be appropriate (DfID 2006b).

DfID’s current research interests for cash transfers include examination of the challenges of cash transfers at scale (justified by the need/potential to generate a greater impact). One DfID-funded study explored the challenges encountered by the government of Ethiopia and its partners in implementing the nationwide PSNP, drawing lessons for other national systems planning to scale up (RHVP 2007). An ODI study commissioned by DfID recently (Harvey & Holmes 2007) has explored the potential for and constraints to larger-scale cash transfers in unstable situations (in fragile states,<sup>5</sup> in areas affected by conflict or instability).

DfID’s other focus area relates to improving cash payment systems within social assistance programmes (see DfID 2007a, DfID 2007b, and DfID 2006d).

---

<sup>5</sup> DfID classifies fragile states as those where the government cannot or will not deliver core functions to the majority of its people, including the poor”

### 3.2.3 USAID/OFDA

In 2006 USAID/OFDA issued updated guidelines for unsolicited proposals and reporting which cover all forms of humanitarian assistance. These guidelines clearly show support for market-based interventions where appropriate, regardless of the sector<sup>6</sup>:

“USAID/OFDA is a proponent of market-based interventions and encourages organizations to investigate creative alternatives to traditional supply-side distributions. Market-based interventions use local markets to supply needed goods and, consequently, distribute economic benefit far beyond the direct beneficiary population. Supply-side distributions (e.g. direct provision of commodities like food and non-food items) oftentimes bypass local markets thereby marginalizing area merchants and significantly distorting local economies. Where supply is constrained by access (commodities are available locally but people lack sufficient money to buy them), USAID/OFDA encourages market-based interventions. Where commodities are not available locally, supply-side distributions are justifiable.” (USAID/OFDA 2006).

This document—which is subject to periodic revision to accommodate USAID’s changing requirements and those of the changing global humanitarian context—is informative, states what is required within proposals, and lists helpful references for further guidance.

Cash and vouchers are explicitly mentioned in the “economic recovery” sub-sector of the “economy and market systems” sector. “Examples of activities aimed at returning purchasing power to pre-disaster levels include cash distribution, vouchers, livelihoods/income generation. Activities seeking to restore productive activities “might include but are not limited to vouchers, cash distribution, or micro-credit”.

Cash and vouchers can also be included as a cross-cutting theme. For example, the guidelines suggest to “choose Cash Distribution as a cross-cutting theme if the proposed activity seeks to distribute cash or check (not in-kind items) to beneficiaries. This activity is normally undertaken to increase an individual’s purchasing power to either acquire household items (food or non-food items) or restore productive assets (livelihoods rehabilitation).”

The guidelines are intended to explain the donor’s requirements for unsolicited proposals and reports. They therefore also contain references to guidelines, some indicators, and notes on USAID/OFDA’s position on various aspects of cash and voucher interventions (see [LINK 30](#) which includes an excerpt from sections relevant for cash and vouchers).

### 3.2.4 The IFRC and the ICRC

The ICRC and the IFRC have no official policy on the use of cash and vouchers in humanitarian response. However, the IFRC believes that cash can be used at any stage between relief and development programming, and both the IFRC and the ICRC view cash as a tool, not a programme. The IFRC is in the process of adapting standard operating procedures to accommodate cash transfers such that cash and voucher transfers can more easily be slotted into existing relief systems. The IFRC has identified a need to better link its two main areas of work: saving lives and disaster risk reduction, and it is giving increased attention to ensuring that the assisted communities are left “better than before” (see PMI/IFRC 2007 for a summary of a cost-effective temporary shelter project in Yogyakarta, Indonesia, that used cash to “build back better”).

The ICRC/IFRC *Guidelines for Cash Transfer Programming* (developed by the British Red Cross Society and endorsed by the Federation as movement-wide) clearly set out the range of situations where cash and vouchers can be used by members. These include the “pre-disaster and initial stages of a disaster, [during the] recovery or transition period, in permanent/chronic crises, and during conflict” (ICRC/IFRC (2007) page 13). The movement has made use of cash transfers for a wide variety of reasons: including the reinforcement of household economic security, rebuilding of stocks and productive assets, dietary diversification, pooling of cash to undertake community development projects, improved access to markets and health care, prevention of asset selling, ability to meet immediate survival needs for food, boosting of local economies, reducing economic burden on host communities, education, reconstruction of shelters (including temporary and transitional shelters).

---

<sup>6</sup> Most of USAID’s food aid funding comes under “Food for Peace” and is mainly in-kind food assistance.



The ICRC's cash transfers have been implemented mainly within its ECOSEC (economic security) sector, which has around ten staff in Geneva who monitor and support the regional programmes. The ICRC differentiates between micro-economic activities where households themselves lead the recovery process (where cash grants play an important role) and sectoral interventions (e.g. for livestock) where technical considerations tend to favour a top-down approach. Nevertheless, cash is increasingly recognized as playing an important role within these sectoral initiatives because of its potential to support the recovery of markets for disaster-affected households' produce. ICRC rates choice and dignity high on its criteria for response, and in at least one case a cash/voucher approach was adopted despite its higher cost (the cash transfers to displaced households in Columbia were anticipated to be 5-10% more costly than provision of in-kind assistance).

### 3.2.5 World Food Programme

The World Food Programme (WFP) is going through a period of change, which, in 2008, will include a revision of its strategies and policies. Related to this, in recent years, it has been considering the potential role for cash and vouchers within its operations, within an overarching social protection framework. The emerging portfolio of cash pilot projects is intended to provide organisational learning necessary for the review and adoption of related policies that facilitate different approaches to help "protect against shocks and promote the livelihoods and welfare of poor and vulnerable people" (Gentilini 2007). Organisational mandate remains a potentially difficult issue which may either limit or extend the use of cash and vouchers within WFP. Those favouring the use of cash and vouchers within WFP believe that a broad interpretation of its mandate (and in particular the term "food aid") *does* allow for cash and vouchers to be used to address food needs.

The DG ECHO-funded SENAC project has been critical in improving needs assessments, and its comprehensive studies have drawn attention to the potential role for market-based food assistance after disasters. An increasing number of WFP assessments now consider not just the scale of food needs, but *how* these needs might be addressed. [LINK 2](#) lists recent WFP assessments where the use of cash was considered, and where the assessment identified cash/voucher interventions as potentially appropriate response options. However, some assessments still do not explicitly explore different resource transfer options other than food aid, food for work (particularly EMOP –emergency- assessments).

WFP is taking a cautious approach to its exploration of cash and vouchers, and in 2006 allocated responsibility to the PDPS<sup>7</sup> to establish a cash/voucher learning strategy. A key action was the establishment of an interim policy directive which set out the parameters for pilot projects (WFP 2007). The directive sought to "clarify WFP's current policy and practice on cash transfers in its operations" and "to establish interim procedures for approving and undertaking pilot projects which may have cash transfer components". The directive stated that while cash for non-food assistance lies outside WFP's mandate, pilots could be useful in "testing and learning from innovative approaches [to food assistance] and operations which are not among WFP standard programming tools". Most pilots are implemented within a recovery (PRRO<sup>8</sup>) context, rather than within a standard WFP emergency intervention (EMOP<sup>9</sup>) and are subject to a ceiling of \$3 million.

As part of its engagement in learning about cash and voucher transfers, WFP has undertaken a number of important activities, such as:

- a) review of cash and voucher experience to date (Gentilini 2006);
- b) convening a technical meeting on cash and vouchers in emergencies & transition in Addis Ababa, October 2006 (WFP/ODAN/PDPS 2006);
- c) technical meeting: Food Security & Markets, Italy January 2007 (WFP/ODAN/PDPE 2007);
- d) establishment of regional initiative in Southern Africa to explore the use of cash and vouchers in social protection (Special Initiative for Cash and Voucher Programming, SICVP), launched in South Africa in March 2007 (WFP/SICVP 2007). See [LINK 3](#) for more information.

---

<sup>7</sup> PDPS—the section within WFP's policy unit which deals with social protection—has been given responsibility for cash transfers in general.

<sup>8</sup> Protracted Relief & Recovery Operations

<sup>9</sup> Emergency Operational Plan

In terms of expertise, WFP has developed capacity in market assessment and feasibility studies, and market specialists are located at regional level. At HQ, specialists which have been instrumental in developing assessment capacity include the emergency needs assessment (ODAN) section and the economic analysis unit (PDPE). WFP has collaborated with external research organizations and NGOs on key issues. Important collaborative relationships to date include its relationship with Oxfam in Sri Lanka, when the secondment of an Oxfam cash project manager enabled WFP to establish and run a pilot cash project as part of its tsunami response, and collaboration with Michigan State University has been important for market analysis capacity development.

### **3.2.6 UNICEF**

UNICEF has recently carried out a review of its cash and voucher interventions, as well as those of other agencies (Jaspars et al 2007). The review identified a number of areas for further UNICEF involvement in cash programming, as follows.

- Linking the cash transfer component of social protection programmes with emergency cash transfers as part of disaster risk reduction programming.
- Cash to improve access to services, either through cash grants or through waivers for healthcare user fees and/or school fees.
- Cash grants to meet non-food needs such as blankets, cooking utensils, soap and school materials.
- Cash for work on projects requiring unskilled labour, for example as part of the building of clinics or schools and in water and sanitation projects.
- Community grants to support child protection initiatives.
- Cash grants to households caring for separated or orphaned children.
- Advocacy on the use of cash to partners as an integral component of a human rights-based approach to programming.

A key cash/voucher initiative with which UNICEF is currently involved is the emerging national cash-based safety net system in Kenya. UNICEF's role is to establish, in collaboration with the government, a cash transfer programme within the national plan of action for Orphans and other Vulnerable Children (OVCs). The management team has produced operational guidelines and a operational manual and the programme is being rolled out incrementally. Phase II will reach 5,000 households and is supported by DfID, SIDA and the World Bank, and by 2011 the programme should reach 100,000 households (UNICEF 2007). Managers believe that once a strong system is established, it may be relatively straightforward to extend the system to cover humanitarian needs where cash-based assistance is deemed appropriate.

### **3.2.7 Oxfam**

Oxfam and two other European NGOs (Save the Children UK and Action Contre La Faim) are members of an informal network (the European Food Aid/Food Security working group) which monitors emergencies and advocates for cash and voucher responses to food emergencies, where their own assessments judge these options to be appropriate. While Oxfam does not have a policy regarding the use of cash and vouchers, it has issued a number of policy briefs which set out its position on food aid, i.a.:

- *Food Aid or Hidden Dumping: Separating Wheat from Chaff* (Oxfam 2005a): this study highlighted the negative implications of inappropriate importation of food aid;
- *Making the Case for Cash: Humanitarian Aid Under Scrutiny* (Oxfam 2005b): this briefing note advocated, soon after the tsunami, for cash-based assistance to address food insecurity. "Oxfam is concerned about the standardisation of [...] food-aid responses and its appropriateness in the current post-tsunami context. Where food is available, and markets functioning, cash is an appropriate alternative to food aid."

Oxfam's use of cash and vouchers has been most important in its food security/livelihoods sector, where the cash or voucher transfer is used to address food but also non-food consumption needs. The agency has a large resource of emergency response staff with strong capacity in both emergency food security analysis and setting up of cash projects. In addition, it has the advantage of access to considerable private funding which has enabled it to fund cash and voucher projects where no donor funds were available.

### **3.2.8 Save the Children**

SC's area of expertise is child-focused humanitarian and development programmes, and although it has no policy on cash transfers it issued a position paper outlining implications of cash transfers for children:

### **Save the Children: position paper on cash transfers**

“Save the Children UK believes cash transfers are an effective strategy to reduce food insecurity and child malnutrition, promote livelihoods and transform social relations among households at different points along the poverty continuum, whether affected by chronic poverty or humanitarian crisis”. (Save the Children 2007)

The release of this position paper was important as it directly challenged notions that in-kind transfers are always more beneficial than cash for child nutrition (see also Sridhar and Duffield (2007)), and in terms of intra-household dynamics.

In terms of expertise, Save the Children is known for its strong household economy assessments which help in the determination of appropriate responses to acute food insecurity. These reports are often used by other agencies to guide their emergency response, for instance, its Sri Lanka tsunami assessment (O’Donnell 2005), for instance, was a key influence on WFP Sri Lanka’s decision to pilot cash-based emergency assistance. SC-UK has a pool of humanitarian staff trained in needs assessment who routinely consider whether a cash/voucher approach would be appropriate to address food insecurity in disaster response.

### **3.2.9 Mercy Corps**

Mercy Corps was the first organization to start cash for work programme in Aceh after the tsunami. Early on in the recovery, it published a number of papers which set out its position on cash transfers, including a document entitled “Why cash?” (see [LINK 4](#)). This kind of statement appears to be useful not just to explain the reasons of a specific action, but also in advocacy directed at donors (government, corporate and the general public) on the reasoning behind a cash approach.

Mercy Corps’ Aceh response was strongly influenced by research conducted by the Harvard Business School (HBS). An HBS researcher headed Mercy Corps’ livelihoods recovery programme, and witnessed the bottlenecks in the provision of commodity-based relief assistance “*Most of us come from liberal democracies*” he wrote. “...*Why is it that, when disaster strikes and we move in to help, we all suddenly become Soviet-style central planners?*” He noted that there was huge potential for recovery within, and close to, the tsunami-affected populations in Aceh, yet none of the agencies had taken this into account. The researcher recommended a new paradigm to guide humanitarian response: *A strategy of Emergence* (Curran & Leonard 2005). In this paradigm the role for NGOs and their staff changes—from that of centralized planner and deliverer of resources to “the task of supporting intelligent and motivated action at the village level”. Cash transfers are a key element of this approach.

### **3.2.10 CARE**

In 2007 CARE published a revised policy on food aid (CARE 2007). CARE’s collaboration with university researchers had examined the US food aid system (see section 3.1.3.1, “Information and Research influencing food aid policy”, page 7) and had identified a divergence between its principles and goals and its food aid operations. The relevant parts of this policy document concerned CARE’s intention to:

- promote local purchase of food where appropriate;
- transition out of monetization of food aid commodities and to advocate to the US government and PVOs about the negative aspects of this kind of venture, namely: inefficiency (including high management costs), and potential harm to local markets and producers;
- phase out of USDA programmes which were inconsistent with its position that “food aid should not be used to enable a donor to establish an unfair commercial advantage and must not create disincentives to local production and markets”.

Relevant parts of the policy statement are reproduced in [LINK 5](#). While the position of CARE’s HQ in terms of operational use of cash and vouchers is not clear, its southern Africa regional office is currently engaged in drawing up cash/voucher guidelines. An important CARE cash/voucher project was implemented in Aceh, Indonesia after the tsunami (see Meyer 2006).

### **3.2.11 CRS**

CRS is well known for its use of vouchers as a means of addressing food insecurity after disasters (e.g. see Bramel *et al* 2004 and Bramel and Remington 2007)—using a model which has been well documented, and adopted by many different organizations. However, its food assistance/food security programmes remain largely in-kind. Recently, however, CRS has been exploring the use of food vouchers to address food

insecurity. In Kenya, vouchers were distributed through health facilities to vulnerable groups which could be exchanged through local traders' kiosks (*duka*). The evaluation (CRS/Kenya 2007) found that vouchers were effective in achieving the objectives and had a number of advantages over in-kind food assistance. It also highlighted areas for further investigation. In DR Congo CRS tested out provision of cash to returnees instead of the standard UNICEF NFI kits (Bailey & Walsh 2007).

#### **Recommendations to DG ECHO:**

There is a growing consensus among the key donors and implementing agencies that cash and voucher interventions should not be treated as fundamentally "different" in key respects than other forms of resource transfer (e.g. in-kind assistance). It is perhaps because of this view that most organisations do not have a separate policy on cash and voucher, and instead they consider these as part of their overall humanitarian response system. Nevertheless, as these approaches represent a departure from what has been the norm, the specific operational challenges of cash-based programming need to be addressed in specific guidelines and procedures. An area that has, however, received far less attention is that of human resources and capacities needed for planning and delivering cash initiatives at large scale.

In terms of policy, DG ECHO has two options available to it:

1. develop a separate policy on the use of cash and vouchers, or
2. develop an overall policy on all resource transfer options in humanitarian contexts, making cash and vouchers one part of this policy (and associated operating procedures).

The advantages of opting for development of a single, overall resource transfer policy, are three-fold:

- it is consistent with emerging wisdom that cash and vouchers should be treated as just another mechanism for helping people access items and services that they lack;
- it allows cash and vouchers to be mainstreamed among DG ECHO's other resource transfer options;
- it promotes the practice of enabling the routine comparison of different resource transfer options, with the analysis considering the key principles of effectiveness, efficiency, beneficiary-first, accountability and ensuring that it is context-specific, i.e. instead of appearing to promote cash and voucher as a preferred means of resource transfer.

It is therefore recommended for DG ECHO to consider integrating cash/voucher transfers within a broader resource transfer policy, in which cash and vouchers are two tools that are underpinned by the relevant EC/ECHO legal and financial parameters. In doing so, DG ECHO may consider setting guidance on the type and extent of comparative analysis that partners should provide while recommending a particular resource transfer method in proposals for funding. This may include issues such as:

- the nature/cause of the beneficiaries' need: is it primarily lack of availability of the commodity locally, and/or lack of purchasing power?
- Market availability at a reasonable price of the item needed for the duration needed;
- preference of target beneficiaries (including marginalized and "vulnerable" categories) and traders;
- security and risk comparisons;
- prospects of price inflation and potential implications for beneficiaries;
- capacity to implement at scale and existence of systems for targeting and accountable disbursement;
- comparative cost of providing assistance (cost-efficiency analysis).

It is important that such requirements for comparing resource transfer choices are made neither overly complicated nor compulsory with each proposal. The extent and detail of analysis should be based on the realities of the context and the size of the project funding.

In the immediate term however, DG ECHO is recommended to develop a position paper and guidance note on cash-based assistance. This should articulate the limits and flexibilities surrounding DG ECHO's funding of such initiatives. Moreover, it should specify the minimum information, analysis and operational set-up expected by DG ECHO, ensuring that these are consistent with existing best practices.

### **3.3 Use and understanding of Cash & Voucher Terminology**

Given that cash and vouchers represent relatively new systems of humanitarian assistance, the terminology adopted by different organisations may differ in some key respects. With the growing use of cash and vouchers, the humanitarian sector will need to adopt terminology which is clearly defined and understood,

thus creating a common language for discussing these kinds of programmes. The ICRC/IFRC, in its latest guidelines, sets out the main classifications for cash and voucher projects. These are included in [LINK 6](#).

The important point to recognize is that each term is indicative of a group of responses, and therefore the way these get defined can create both restrictions and/or flexibilities. As such, in addition to well-defined terminology, cash projects can be classified according to the following key elements:

- the objective: what need the assistance is intended to address (or range of needs);
- the conditions attached to receipt (if any): this includes whether people are required to work, to change behaviour, or to spend the money on basic needs;
- whether cash or vouchers are used (this is important to distinguish as vouchers add an additional level of control over use of the assistance compared with similar cash transfers);
- whether the assistance goes to individuals, households, or communities. There are a number of important experiences where cash has been provided to communities to enable them to determine, design and lead their own recovery.

#### **Recommendation for DG ECHO**

The cash and voucher terminology used currently by DG ECHO is defined mainly in the documents providing legal interpretation concerning the means of resource transfer. As such, these are defined in the context of legal and financial parameters only, thus not articulating the programming parameters that are key to both partners and DG ECHO's operational staff, involved respectively in project design and its review/approval. Moreover, the legal documents do not currently contain any definition of various methods of voucher-based resource transfers.

With the expected expansion in the types of cash initiatives—allowed under the latest interpretations of EC's financial rules—it is recommended that DG ECHO develops its own set of terminologies for both cash and voucher initiatives. In doing so, it should ensure that these clearly reflect the programming perspective, thus differentiating between management terminology (legal/financial) and the aspects key to cash and voucher programmes. These should therefore be aimed at enabling both partners and DG ECHO operations to think through and explore the key programming dimensions for which a variety of cash and voucher initiatives may be considered/funded. A clear set of terminology will also be fundamental to a resource transfer policy involving cash and vouchers.

### **3.4 Context Monitoring to guide broad strategic planning**

A common challenge for decision-makers and donors is that of developing simple systems that indicate when conditions may be conducive to cash and voucher approaches (or when further in-depth exploration is necessary).

Context monitoring (or environmental scanning) is the process whereby decision-makers routinely monitor key environmental indicators to guide them in broad strategic planning (e.g. when to open/close programmes, when to move from “emergency” mode to “recovery” etc.). A number of basic indicators are presented below which could be regularly scanned in order to keep decision-makers informed when a cash/voucher intervention might be appropriate.

1. Changing/different needs of the affected populations: out of all population needs, identification of those that could possibly be better met through cash/vouchers (i.e. needs resulting from loss of income, rather than reduced market availability).
2. Security situation and population movement.
3. Availability of goods in central and local markets.
4. Beneficiary preference: agencies should endeavour to consult beneficiaries and ask them which type of transfer they would prefer. See section 3.5.5.2, page 22, which discusses the difficulty of collecting valid and reliable answers to this question.
5. Cost-efficiency: might cash and vouchers be more cost-efficient than in-kind assistance?
6. Changes in resource transfer policy and pattern of government, donors and implementers in the given local/country context.

Monitoring and reporting on these indicators would enhance the ability of decision makers to make informed and timely judgement on where a cash/voucher approach may be appropriate or whether more in-

depth and specialist information is needed. Where indicators point to a highly conducive environment for a cash/voucher approach (i.e. low-risk), interventions could be designed without further need for complex market analysis. Implementers and donors may decide to use different set of indicators to monitor (environment) in different contexts. However, it is quite important to keep these indicators easy to use, periodically monitored and reported on. These indicators must not be viewed or used as substitutes to detailed assessments.

#### **Recommendation to DG ECHO**

Together with a general resource transfer policy, DG ECHO should consider developing both capacity and systems to routinely monitor environmental context indicators which can provide timely indication of when cash and vouchers may be appropriate. This would not only be useful in the drawing up of each country's Global Plan, but this should also allow DG ECHO to make an informed decision on the extent and nature of assessment that it would expect from partners in a given context. In this regard, systematic collaboration is recommended between DG ECHO (Desk, TA and the RSO) with operational agencies specialising in needs/market assessment (such as Oxfam, SCUK, WFP, FAO), and information systems (such as FEWS-Net, food security information systems and government and university agricultural economics departments).

### **3.5 Situation Analysis, Needs Assessment and Planning of Cash and Voucher Programmes**

This section deals with the preliminary phases of the programme cycle. The specific areas covered are:

1. analytical capacity required;
2. assessing the broad effects of the disaster;
3. assessing needs (impact of the disaster on the population);
4. response analysis (market assessment, feasibility studies);
5. response planning.

The ICRC/IFRC cash transfer guidelines (page 19) outline the different forms that assessments may take, depending on the need: rapid, detailed, or continuous.

#### **3.5.1 Capacities for Analysis and Assessment**

The most important aspect of good assessments is ensuring that the required skills are present in the assessment team. Current guidelines dealing with cash and voucher assessments contain very little reference in terms of the capacity needs in this regard. However, the ICRC/IFRC cash transfer guidelines suggest an ideal composition (in terms of competencies) of an assessment team (see **Box 1** below) for Red Cross assessments. The appropriate composition needs to be decided on a case-by-case basis.

##### **Box 1: Multi-disciplinary Assessment Team: Skills/knowledge required**

- Knowledge of the affected population
- Emergency food security and livelihoods assessment skills
- Market analysis skills
- Programme design and management skills
- Finance/administration knowledge
- An understanding of cash programming

*(Source: ICRC/IFRC guidelines, page 19)*

#### **3.5.2 Broad Analysis of the effects of the disaster**

The first step in the assessment process is the identification of the *type* of disaster that has occurred. While this may seem obvious, it is an important preliminary stage of thinking that is sometimes not clearly

articulated. Examining the broad effects of the disaster on producers, consumers and markets should highlight the kind of response options that the decision makers need to consider. This exercise should also flag up key assumptions about appropriate responses.

The WFP EFSA handbook (EFSA Annexe A1, pages 353-358) includes a list of tables which identify *typical effects* for a comprehensive range of disasters. An excerpt is reproduced in the table below.

**Table 3: Typical Effects of Different Types of Disaster**  
(excerpt from WFP EFSA handbook)<sup>10</sup>

<b>A1.3 Flash flood or tsunami</b>	
<b>Food availability and markets</b>	Probably little effect on availability (localized losses only in affected valleys or coastal belt) unless salinization occurs. Possible short-term, localized disruption of markets and transport.
<b>Household food access</b>	Loss of households' crops, food stocks, livestock and productive assets. Loss of employment in damaged businesses. Reduced local social network transfers.
<b>A1.6 Volcanic eruption</b>	
<b>Food availability and markets</b>	Localized reduction of crop production due to lava cover and pollution of soil. Possible short-term, localized disruption of markets and transport.
<b>Household food access</b>	Loss of employment in damaged businesses. Temporary work in rebuilding. Localized loss of household productive assets. Reduction in local social network transfers.

The above two tables have been selected here for illustration because they highlight the impact on markets of two types of disaster where cash transfers could play (and have played) an important part of emergency recovery. The volcanic eruption in Goma was one example where, if this kind of quick analysis had been attempted by sectoral coordination teams, it might have prevented a large-scale but unnecessary and inefficient supply of imported items to the urban population - which basically needed cash (see Sesnan (2004)).

Harvey (2007) uses a two-way matrix to present a range of disaster typologies and implications for cash interventions. This is presented in [LINK 7](#).

Categorizing disasters in terms of their impact tendencies (and implications for cash) is extremely useful to help agencies home in on the key issues to look at during the assessment analysis, and the likely effects that they might expect from the disaster. However, these tables should be seen as guides only, as each disaster is different. The context and situation-specific analysis (following structures such as these) could provide valuable and essential first steps during the initial days of an emergency assessment.

A key point when collecting information and doing analysis is to remember that each disaster affects different areas and the populations within these areas in different ways. As such, drawing parallels with another similar situation to prejudice feasibility of a resource transfer method (including cash and vouchers) should be avoided. In doing so, the analysis should look at the broader picture:

- the directly affected area;
- the areas which normally supply key food and non-food items to the affected area; and
- the areas which are normally supplied by the affected area.

Two of the most challenging aspects of the assessment phase are: a) the assessment of needs; and b) the market analysis required to determine whether cash, vouchers and/or in-kind assistance would be efficient and effective in addressing needs. These two elements are discussed in more detail below:

<sup>10</sup> WFP's revised draft of the EFSA manual includes a shorter table incorporating these main issues (see [LINK 8](#)). The original format is presented here as it distinguishes clearly between food availability and markets and household access to food—an important distinction for assessments.



### 3.5.3 Needs Assessment (impact on the population)

The next stage in the planning phase is the collection of more in-depth data concerning the impact of disaster on the population (change in asset levels, food sources, income and expenditure) and on local markets and those supplying them. These food security/livelihoods assessments are necessary to guide the short and medium-term response strategy after the disaster.

A number of agencies have developed tools for assessing the general humanitarian situation and as well as identifying whether there is potential for use of cash or vouchers. Some agencies, such as WFP and SC-UK have published guidelines for potential users on these methodologies. WFP's EFSA guidelines are a comprehensive resource for food security assessments and Save the Children's Household Economy Analysis guidelines are broader, covering assessment of impact of the disaster on households' livelihoods. Both approaches share a similar conceptual framework, but use different methodologies to collect and analyse the information.

The Household Economy Approach is the favoured methodology for a number of international agencies, as well as an integral component of a number of early warning systems (e.g. Somalia, Ethiopia, Malawi). It is a key feature which is needed for use of the IPC tool<sup>11</sup>. In addition, FEWS-Net has developed livelihoods zone profiles using the HEA framework at national level for a number of countries worldwide<sup>12</sup>. The approach is described in detail in two sets of guidelines (one for decision-makers and one for technical experts) currently in production under the RHVP programme in Southern Africa.

The following studies are good examples of emergency assessment using the above mentioned methodology:

- Rapid livelihoods assessment report concerning the impact of the earthquake on livelihoods in Muzaffarabad and Bagh districts of Azad Jammu and Kashmir, Pakistan. The assessment (which included visits to 17 camps and villages in two districts, was undertaken and the report finalized in less than three weeks. The report gives a rich description of pre- and post-earthquake livelihoods and markets, and the information clearly points to the need for cash-based relief to be brought in to complement the in-kind assistance and to strengthen the market system which had been disrupted by the disaster as well as by the in-kind response.
- Household Economy Analysis, Turkana, Northern Kenya. This is an example of in-depth household economy assessment which involved the training a team of local researchers, thus allowing for more areas to be covered with greater detail and confidence than a rapid assessment. The HEA study complemented a market study (De Matteis 2006) (commissioned to assess whether a cash-based humanitarian approach was feasible).

The World Food Programme's EFSA method incorporates the essential elements of the household economy framework, but takes a more quantitative approach. Such a quantitative approach can have the advantage of getting a better understanding of the extent of a problem (e.g. the size of the food insecure population). The information is generally applicable over a larger area and may include multiple livelihood zones.

Reports which illustrate WFP's assessment approach include the following.

- Sudan: emergency food security and nutrition assessment in Darfur. This assessment was carried out in September 2006 and covered three provinces (South, West and North Darfur), surveying over 2,000 households. It is a good example of a comprehensive study involving three UN agencies and their technical experts. The team considered the potential for cash transfers but as security conditions precluded large-scale cash transfers, the team recommended only small cash grants, complementary to food aid rations, and/or vouchers to help households access education, health, fresh food, firewood, clothes.
- East Timor: Dili Emergency Food Security Assessment, September 2007. This is a good example of an EFSA which looks at both livelihoods and market functioning, using a quantitative survey approach. This report recommended both food and cash interventions.

---

<sup>11</sup> The Integrated Phase Classification is a tool which helps decision-makers identify the humanitarian phase of a given population. Key to this classification system is access to livelihoods information and analysis which explains how the current situation differs from "normal".

<sup>12</sup> (e.g. Malawi: <http://www.fews.net/livelihoods/files/mw/profiling.pdf>)



## 3.5.4 Response Analysis (including market assessment)

### 3.5.4.1 Assessment Options

Market assessments are required prior to designing any intervention (cash/voucher or in-kind), but the degree of detail and depth that is needed varies considerably. At one extreme, market assessment might entail just making a quick market survey to see if goods are available at an affordable price, and at the other extreme market assessment might entail econometric modelling. What is currently a challenge for most organizations is knowing when to use a “comprehensive” approach to market assessment (using specialised staff such as agricultural economists), and when it makes more sense to take a quicker, “lighter” approach, using staff with general livelihoods skills who would be capable of using a “common-sense” approach to market assessment<sup>13</sup>. As few organizations have market economists working within their assessment teams, and as it would be difficult to access such staff for emergency assessments, a number of agencies have started to develop market-assessment approaches which are usable by their own staff.

### 3.5.4.2 Market assessment

WFP has market experts at regional level. Its EFSA guidelines go into some detail for market assessment, enabling food security experts to collect and analyse the required data. Oxfam and Save the Children have no agricultural economists on staff and access this kind of expertise through consultancies.

Examples of good market assessments include the following.

- Market Functioning in Turkhana, 2006, for Oxfam Kenya (de Matteis 2006). This was an example of a comprehensive market assessment, using econometric analysis to identify whether traders would respond to a cash injection. This level of complexity was seen to be appropriate to the marginal environment: North East Kenya has weak markets and food aid has become a standard (but ineffective) response to chronic poverty.
- Feasibility Study for Cash Transfers in Swaziland: an analysis of Market Functioning, 2007, for Save the Children Swaziland (de Matteis 2007). This study was commissioned because Save the Children’s household economy assessment identified cash as a potential option. However, the complexities of the regional market system prompted the decision to hire an agricultural economist for the study.
- A study of appropriateness and feasibility of cash response options, 2006, for WFP Malawi (WFP/SICVP 2007). This collaboration—between WFP’s ODAN and PDPE (Economic Analysis Unit)—included a quantitative food security/livelihoods analysis and market study combined, plus an investigation of key aspects for different options.

The market assessment tools being currently developed by Oxfam present a three-step process looking at different elements of markets. After assessing the scale of needs resulting from the disaster, the market assessment looks at:

- Step 1: determine which market systems are the most essential ones to assess and analyse;
- Step 2: examine how the market system identified in step 1 will respond to increased demand and purchasing power (if a cash transfer is used to address needs?);
- Step 3: explore market support options to strengthen the ability of markets to respond.

This assessment methodology represents an important tool for NGOs as it links livelihoods assessment methodologies with key market assessment tools. Moreover, it takes into account the reality of NGO capacity parameters (i.e. lack of agricultural economists), and importantly, it addresses the current lack of standardized market assessment guidelines for rapid assessments of *sudden-onset* emergencies. It is also the first tool that looks in a comprehensive way at *market development* as a response option. The next phase of the work involves the testing of this methodology during a “real” emergency, before making the methodology available to the humanitarian community.

### 3.5.4.3 Decision-making tools

Once the livelihoods and market analysis has been carried out, the next task is to decide whether cash or vouchers might be appropriate, or ideally: what kind of transfer approach is most appropriate? There are a number of tools developed to help managers identify the key questions that need to be asked in order to

---

<sup>13</sup> This term was coined by a researcher from the Michigan State University in a paper for WFP discussing market assessment approaches.

make a decision on which form of resource transfer is most appropriate. The following are some key examples.

#### **Oxfam decision tree (Creti & Jaspars 2005)**

This algorithm, featured on page 22 of Oxfam’s cash transfer guidelines, provides a structure for analysing which type of assistance is most appropriate for the given context. It is used in conjunction with a set of questions and other tools about market functioning.

#### **CARE market analysis and decision tree tool (Barrett et al 2007)**

This tool was designed to support the decision over whether to provide cash, local purchase and/or imported food aid. The tool draws attention to the fact that local purchase may be appropriate in situations different from those where cash and imported food are most appropriate. It asks two basic questions: (1) are local food markets functioning well? (If yes, “provide cash transfers or jobs to targeted recipients, not food aid; if No, ask: (2) Is there sufficient food available nearby to fill the gap? If Yes, “provide food aid based on local purchases/triangular transactions; If No, “provide food aid based on transoceanic shipments”. This model does not explore the use of market development as a way to ensure that these are capable of responding to the increased purchasing power, as mentioned in Oxfam’s decision tree tool and included its forthcoming market assessment guidelines. The authors point out that there are no set answers, and much depends on the initiative of the assessor: “the decision tree tool, together with the various other considerations raised here, equips Country Office staff with a set of detailed response analysis tools to make a reasonable determination about the appropriate intervention in a food security crisis.” (Barrett et al, 2007, page 28).

#### **ICRC/IFRC**

The ICRC/IFRC guidelines (page 27) include an algorithm which offers the decision-makers a structure to guide their decision on whether cash transfers are appropriate, and if so, what form they should take. Such tools are useful in that they articulate the organization’s policy, and guide staff on decision-making within the organization’s policy parameters.

The ICRC/IFRC tool suggests that for the Red Cross the default option is unconditional cash transfers. These are appropriate IF...

- items people need are on the market but people are unable to purchase them;
- the risk of inflation is low;
- security is deemed acceptable...

... EXCEPT in the circumstances indicated in the next boxes. These circumstances cover conditions (specified in the figure) where other forms of cash-based assistance would be most appropriate:

- conditional cash transfers;
- cash for work;
- social assistance cash transfers;
- vouchers.

(see [LINK 9](#) where the diagram is reproduced).

#### **WFP**

WFP’s EFSA handbook has a number of tools to help determine the most appropriate response. Annexe B5 of the handbook is a tool which identifies, for different response options, when these might be appropriate. Researchers from Michigan State University (MSU) who have been working with WFP to improve market assessment tools have suggested a reworking of this table to include slightly different questions. [LINK 10](#) of this report presents an example from MSU (Donovan et al 2007) of how this analysis might look for cash transfers. For each response option, the MSU researchers argue, the assessment should consider:

- when is this (the chosen option) a good idea from a markets perspective? (“When may it be appropriate?”)
- When is this (the chosen option) a bad idea?
- Repercussions and severity of its potential impact on markets if option chosen in spite of “bad idea” conditions.
- Information required to establish appropriateness of response option.

### **3.5.5 Other considerations in analysing feasibility**

In addition to the needs assessment and market assessment approaches, agencies may need to build into feasibility studies other important questions concerning:

### 3.5.5.1 Cost-efficiency

Few agencies have attempted to compare cost-efficiency of different options at the planning stage, although some agencies have assessed or compared cost-efficiency after the fact. One example is given in WFP's feasibility study for Malawi. No guidelines are available which explain the way cost-efficiency can be projected prior to implementation. There is an obvious problem with comparing cost-efficiency: the comparison depends on a reliable estimate of the projected price of local cereals, which is extremely difficult at the early stages of emergency response planning. If this price is an over-estimation, then it will reduce the cost-efficiency of cash transfers relative to the real value. Guidance on analysing the relative cost-efficiency of different types of intervention are currently lacking.

### 3.5.5.2 Determining Beneficiary Preference

Most agencies routinely consult target beneficiaries as to what they would prefer, but some have found this to be an extremely problematic question, as responses are heavily influenced by a) what they think the questioner wants to hear; b) what they have prior experience of; c) their knowledge and trust in the agency to deliver (often an unknown quantity); d) their knowledge (if any) of the extent of market development activities that the agency plans to undertake. The key issue is to make sure that the choice is an informed one. Some agencies systematically gather information from target groups during their discussions as this is often useful in terms of knowledge about how the market functions, the social systems—issues which are key considerations in the choice of resource transfer type and the project design.

### 3.5.5.3 Risk Analysis

Risk analysis is a critical activity for any type of resource transfer in unstable, insecure, or remote environments. The best example was drawn up by Oxfam Kenya for its Wajir cash transfer programme through an inclusive process. It was used to guide the development of standard operating procedures for the cash transfer. The analysis included threat analysis and analysis of the threshold of acceptable risk.

There are many other examples of good risk management systems developed and used by operational field teams. However, there are currently no standard tools (used by all) for assessing risks to cash-based planning and many of the tools do not consider all risks. Security risk, and the risk of misuse and extortion etc. are most often considered by the organisations. Horn Relief's manual includes also other important risks such as identify theft, women losing control of the cash transfer, disgruntled non-beneficiaries ([LINK 11](#)). An area that requires greater attention and further understanding is that of identifying risk of inflation not only at the design stage, but throughout the project cycle.

The following are the examples of the approaches to risk analysis used by some of the organisations leading cash-based initiatives and research.

**SDC** cash workbook sees risk analysis as an important way to formalise the identification of threats to the planned project, and the selection of mitigation measures. It considers preliminary risk analysis (as part of assessment) to be just the beginning of a process that—depending on the risk and security context—may need to monitor the threats and make necessary adjustments during the entire project cycle. The section in the SDC cash workbook that deals with risk focuses mainly on the process for risk analysis, envisaging a close HQ and field interaction. In this model, instead of providing a standard set of criteria for regular risk analysis, these are instead specified by HQ staff on a case-by-case basis, which is subsequently validated by the assessment team.

For **Oxfam**, risk and security analysis is an integral part of assessing the appropriateness of a cash intervention. The key elements listed in the Oxfam cash transfer guidelines focus on security (page 25), and risk of inflation is mentioned at the design stage.

**ICRC/IFRC** Similar to Oxfam's approach, for ICRC/IFRC the risk and security analysis is part of their regular process for assessing the appropriateness of cash intervention. In addition to this, Table 4, pages 23-24 of the guidelines (reproduced in [LINK 12](#)) provides a useful checklist for "contra-indications" for cash transfers. The table is set up along the lines of agency's position on "cash-first" approach. Based on this position, it uses a system of contra-indications to confirm that there would be no major risks with programming cash, and these could be incorporated into a risk management framework for the project and expanded to include all risks.

Further areas of risks that are not explicitly mentioned in available guidelines (or which need further exploration) are:

- risks of inflation for key commodities (particularly staple food). Agencies need to establish stronger systems for monitoring and interpreting market price information, and to articulate possible contingency action in case of excessive price increase);
- risks of cash to staff and office safety;
- risks of cash to beneficiary safety;
- determination of the levels of acceptable risks i.e. beyond which a cash project could be terminated or changed into in-kind assistance<sup>14</sup>;
- risks involving field-based procedures and systems for cash transfer, safekeeping, and disbursement to targeted beneficiaries. (see section on project implementation for more details)

See also the reference to risk monitoring in this report, section 3.7.2.4, page 35.

#### 3.5.5.4 *Minimum conditions for cash transfers*

The ICRC/IFRC guidelines provide a list which is useful as a summary of all the minimum *conditions* that need to be met prior to selection of a cash option (see [LINK 13](#)).

### 3.5.6 Response Planning

Key issues to consider here are the core elements of a standard project log frame: goals, objectives, activities, risks and assumptions (relating to cash transfer as well as operational environment) with SMART indicators and means of verification which outline how the agency will monitor progress and impact. Issues that are of particular relevance to cash and voucher transfers include the following.

#### 3.5.6.1 *Setting the value of the assistance*

The ICRC/IFRC guidelines include a table outlining the issues that need to be taken into account for different types of transfer. A general requirement is that agencies need to have a good idea of what the post-disaster costs of living are (what is the cost of a “household food and non-food basket”, including the cost of basic services if fees are levied). A basic point to remember is that cash transfers have potential to address multiple needs at one time. Setting the value in line with the former food relief ration, for example, is not appropriate if the cash transfer is expected to be used for expenditure on items other than food and in addition to food. Household budget surveys are relatively quick and easy to do after a disaster (variation in spending is often extremely limited due to hardship), but they need to take into account that *what people are currently buying is not likely to reflect the full extent of what they really need*, so agencies need to be able to estimate the cost of their pre-disaster minimum requirements and the cost of a minimum basket at current prices. The other part of the equation to factor in is the amount of resources that households have at their disposal (to avoid undermining coping strategies). See ICRC/IFRC table 5 page 30 and 31, and Household Economy studies undertaken by Save the Children, such as O’Donnell (2005).

Sometimes agencies plan to adjust the value provided in line with local market prices. The ICRC/IFRC guidelines discuss the implications of fluctuating payments, (ICRC/IFRC page 29). See also section 3.5.5.3 (which lists inflation as one element of Risk Analysis), page 22.

Agencies might also have to decide which **currency** to use (if there is a choice between a local currency and a foreign currency). In Somalia the agencies had the option of transferring local currency (Somali shillings/Somaliland shillings) or US dollars. Understanding money markets is essential in such environments as negative distortions to the exchange rate caused by a cash transfer would impact negatively on non-beneficiaries as well as beneficiaries. This issue was discussed in the evaluation of a number of agencies’ cash transfers in Somalia—the evaluation team noted no negative impact on the exchange rate and examined why this might have been so (Majid et al (2007), page 57).

#### 3.5.6.2 *Vouchers and fairs*

The use of vouchers and fairs bring advantages to some kinds of programmes in some contexts, but in others they may be an unnecessary complication that dilutes the advantages of a market-based approach. Agencies suggest thinking through some important questions.

---

<sup>14</sup> Oxfam Kenya’s risk analysis for Wajir cash transfer programme. This document is confidential.

- What advantages and disadvantages would the use of vouchers have for beneficiaries, for traders, and for the implementing agency?
- What other market development options might be more effective?
- If vouchers are selected, what is the best mechanism for disbursing them? Direct to beneficiaries, in combination with a fair aimed at bringing together consumers (with the vouchers) and local producers? Or through regular small traders? (see CRS 2007).
- What is the additional cost of a fair (time, money) and are there important considerations which justify the additional cost (e.g. quality, social mobilization)? What distance would beneficiaries have to travel and would it be worth them? Should additional funds be provided to cover transport costs associated with reaching the fair?

The ICRC/IFRC guidelines include a detailed guidance sheet on vouchers (page 75-79) that helps agencies think through the key issues. CRS is one of the leading specialist agencies for seed voucher fairs (see Bramel and Remington (2007)).

### 3.5.6.3 *Conditions associated with the assistance*

ICRC/IFRC consider unconditional cash transfers to be the “default” form of assistance, and that other components should be added only where appropriate. A **work** component might be advantageous but it might also disadvantage some households in the target group (see a review of the Ethiopia PNSP that found that *labour scarce* households fared worse than those with labour and as well as those with no labour at all (RHVP 2007)).

## 3.5.7 **Planning for withdrawal: Exit Strategies and LRRD.**

Exit strategies are important for cash transfers just as they are for in-kind assistance. The ICRC/IFRC guidelines provide a checklist for planning withdrawal (see [LINK 14](#)) and summarize the issue as follows:

“Withdrawal/exit strategies are designed for the moment when programme objectives are achieved and/or the capacity has been created for others to take over”. ICRC/IFRC (2007).

Exit Strategies require clear definition of objectives and the timeframe right at the initial planning stages. The four most important objectives of designing exit strategies are: a) ensuring sustainability of the programme achievements after it is terminated, b) bringing programme to a financial/administrative closure; c) ensuring that households who remain at risk after the general population has recovered are “handed over” to safety nets where these exist; and d) avoiding over-extending humanitarian approaches where development programmes would be more appropriate.

Setting realistic exit strategy objectives for cash-based humanitarian initiatives (when the funding cycle is short), is an important area for which no standards exist, and therefore is currently subject to mutual agreement between implementers and their donors.

### 3.5.7.1 *Contingency Planning.*

Similar to in-kind assistance, cash transfer projects also have to deal with a number of variables that may either not be fully understood at the time of assessment/planning or these may change during the course of project implementation. In both cases, organisations and donors need to have flexibilities built into their planning and funding in the form of contingencies.

Current research and guidelines governing the use of cash in humanitarian context do not provide insight into the relevance of contingency planning. The aspect that is regularly highlighted at assessment and evaluation stage is the potential for price inflation. However, few examples of contingency planning around different price scenarios exist. Whereas in-kind assistance means that implementing organisations and the donor absorb any rise in prices, in the case of cash initiatives, price inflation could result in reduced purchasing power for beneficiaries. To deal with this, organisations have taken a two-pronged approach.

One – market analysis provides a reasonable estimate of likely price rises; the capacity of the market to respond to the anticipated additional demand is assessed; and the normal rate of inflation is compared to current price trends in the project country/area.

Two – defining clear policies for dealing with the potential for inflation and setting limits for “acceptable” price increases and contingency planning when this price is exceeded. Different organisations have adopted different approaches, each with its own limits and advantages.

The following are some examples of contingency plans in the event of inflation.

- Adjusting each cash transfer instalment in line with inflation. This protects beneficiaries against the impact of inflation, but requires much effort in terms of beneficiary sensitisation about changes in cash value etc. (the approach used by Concern in Malawi (Concern Worldwide 2006b)).
- Establishing the limits for acceptable increase and duration of inflation, after which the assistance would either be entirely reverted to in-kind or appropriate mix of cash, voucher and in-kind (this was a feature of Save the Children’s contingency planning in Ethiopia -see Adams & Kabebe 2005).
- Avoiding cash projects in areas with high inflation. This is the policy of SDC. Other agencies, however, have dealt with this issue by using vouchers and making regular adjustments to the voucher value (e.g. Oxfam in Zimbabwe—see Oxfam 2007).

It is possible that agencies may have over-estimated the risk of inflation and responded with in-kind assistance due to an assumption that traders will be unable to respond. At the same time, agencies have become aware that while in most cases traders will “play fair”, in others they may try to exploit a situation where they have a “captive market”. However, while organizations have tended to over-estimate the risk of inflation, the systems for monitoring prices against predictions are not apparent in many projects. These systems need to be improved and clear policies established for dealing with inflation if and when it occurs.

The design document for WVI’s cash transfer pilot in Lesotho includes a section on contingency plans for a number of events. These include:

- change in the price of staple food (as compared to October 2007 prices). Contingency actions are suggested for different scenarios (different levels of price increase as well as a decrease in price). Contingency options included: taking no action, increasing the cash transfer by different amounts (relative to the observed price increase), and modifying the programme based on consultations with beneficiaries (potentially switching to food);
- distribution points targeted for robbery. Contingency options in this case might include discussing improvements to the system with the cash transfer agent, and suspension of the programme.

The contingency planning process requires sound analysis. It is important that it is periodically revisited and if necessary some indicators may need revision as the agency’s understanding of the situation develops.

#### **Recommendation for DG ECHO:**

DG ECHO has provided strong support to initiatives which aim to strengthen information collection and analysis. This includes:

- post-disaster needs assessment and market analysis (WFP/SENAC EFSA, rapid HEA studies);
- pre-disaster household economy and market studies which are extremely useful in order to improve the planning of potential response options to the most likely disasters. DG ECHO should set aside funds (and communicate the availability of these funds to partners) for disaster preparedness studies which incorporate household economy analysis, market baselines and scenario planning for the most likely risks. The work that FEWS-Net has been involved in (developing national livelihood zone profiles, maps and summaries) could be extended if more funding was available for this valuable, but under-funded work. Addition of national and regional baseline market analysis would strengthen this information set further.

Given cost, capacity and time implications of undertaking needs and/or market assessment, DG ECHO should issue guidelines on the detail and type of analysis to be provided by the partners with cash proposals, ensuring that these are consistent with the size, urgency, and complexities of the project and its environment. In doing so, DG ECHO may encourage partners to use secondary data from assessments (mentioned above) that it may already be funding in a given area.

With project proposals, the applicant organisation to be required to provide a brief analysis linking the findings of the assessment to project design, and articulating the comparative risks and advantages of the resource transfer method being recommended. This should provide DG ECHO decision makers with a simple but effective basis for making judgements on the appropriateness of design and resource transfer choices.



DG ECHO should issue simple user-friendly guidelines concerning cost-efficiency calculations that it expects partners to provide in support of resource transfer method being proposed i.e. compared to other options.

DG ECHO should articulate its requirements in-terms of assessments and risk/security analysis related to different methods of resource transfers and contexts; for example, use of unconditional cash in an area with no formal banking services etc.

DG ECHO should require partners to routinely monitor market prices in cash and voucher projects. This would involve plotting anticipated prices for staple foods where relevant and comparing these on a monthly or weekly basis with actual prices as they occur. Agreed threshold prices which, when exceeded, will trigger contingency action, need to be established prior to the project start.

In the case of cash-based initiatives, DG ECHO should articulate its policy, position and funding flexibilities/limits in response to inflation under two circumstances:

- when anticipated i.e. market assessments indicate these as a possibility at the planning stage;
- when not anticipated by market assessments but occurs during implementation.

### **3.6 Implementation**

This section reviews best practice for key implementation issues in cash and voucher projects. A number of organizations have documented these issues in dedicated guidelines (OXFAM, ICRC/IFRC, SDC, and (most recently) ACF and Horn Relief. However, most of the instruments and methods outlined in these guidelines are quite new and remain subject to further testing and validation.

#### **3.6.1 Targeting**

Resource transfer programmes can be provided to all households in a population (known as a “blanket” transfer) or they may be provided to a sub-section of a population deemed to be most in need of the resource to be provided, known as a “targeted” transfer. Targeting here refers to the process whereby the agency identifies those who fit the criteria identified in the needs assessment as being in need, registers them, and ensures that the assistance reaches them.

This section looks at examples of best practice in terms of identifying and registering beneficiaries. The accuracy of correctly identifying and reaching the most vulnerable beneficiaries hinges on the three fundamental pre-requisites:

- the accuracy of geographical determination of needs (identifying the areas most in need) (see Assessments sections 3.5.2 and 3.5.3, pages 17 and 19);
- the accuracy of beneficiary needs assessment and situation analysis (see Assessments section);
- the clarity, accuracy and appropriateness of beneficiary targeting criteria (see 3.5.3).

Most organizations identify targeting criteria using the analysis provided during the assessment of need. Assessments which analyse the impact of the disaster on different types of households (differentiated by socio-economic status) are most likely to be able to define clearly the essential criteria describing vulnerability. While most agencies often categorize vulnerability using standard social or biological classification systems (e.g. “widow” or “pregnant and lactating women” the addition of economic criteria is essential to be able to identify the poorest within the general population. An example of this kind of analysis is given in [LINK 15](#) and [LINK 16](#). These rapid assessments (carried out for Save the Children) identified how different socio-economic and occupation groups had been affected by the disaster, and implications for targeting.

There are two basic systems for identification of beneficiaries. The choice of which to use depends on two fundamental issues:

- who should be involved in establishing the criteria and identification of beneficiaries?
- How to ensure that recipients and other key stakeholders understand the targeting mechanism and requirements?

The ICRC/IFRC cash guidelines (2007) provide a useful matrix which explains the two main types of targeting (community-based and administrative), showing methodological variations within these two main approaches. The matrix also lists possible risks (see [LINK 17](#)).

### 3.6.1.1 Community-based Targeting

Many agencies favour the system of using community-based relief committees for targeting and monitoring of cash beneficiaries. These committees are expected to represent all sub-groups within affected populations, so they must be gender-balanced and represent all livelihood, socio-economic, religious, and ethnic groups. This system envisages committee members being accountable to the community, and subject to election (and removal) by the community. The approach has extremely positive outcomes where it is used well (e.g. the cash distribution provided by several agencies to drought-affected pastoralists in Northern Somalia in 2004 (Narbeth 2005). However, this approach is challenging to use in situations of population displacement where social systems may have been disrupted. The choice of targeting system continues to be driven by two fundamental factors: the implementing organisation's policy on involving the community and local authorities, and the limitations and opportunities presented by different operational contexts.

Where an organization has strong knowledge of the affected population, such participatory methods for registering those in need have been shown to be extremely effective. Horn Relief's Inclusive Community Based Targeting (ICBT) is an approach that works well in Somalia, but a core element of its success relates to the high quality of the Horn Relief programme approach. If managed well, community based targeting can be extremely efficient in tackling the tricky task of identifying who is most in need, and in minimizing inclusion and exclusion errors. The box below summarizes the approach, and the forthcoming Horn Relief guidelines (Horn Relief 2007) explain in more detail how the (inclusive) Village Relief Committees (VRC) are formed, as well as the nature of their role. The guidelines cover community mobilization that precedes the establishment of these committees. The guidelines emphasize that "it is important that project staff do not expect the VRCs to do their jobs in terms of strengthening accountability to beneficiaries".

#### **Box 2: Horn Relief's Inclusive Community-Based Targeting**

The Inclusive Community-Based Targeting (ICBT) approach was initially developed by Horn Relief in 2003 to ensure proper targeting when using a cash-based response to emergencies. This approach has since proven highly effective. For example, an external post-distribution monitoring survey conducted by OCHA of one of Horn Relief's cash-based projects using the ICBT approach indicated that 97% of the targeted beneficiaries were in fact the most vulnerable in the community. The ICBT emphasizes transparency, empowerment, gender awareness, and community participation as key principles of effective targeting.

*Source: Horn Relief (2007)*

The use of ICBT in Somalia is an effective way of targeting vulnerable households with outside resources in the Somali context.

### 3.6.1.2 Administrative targeting

SDC generally uses administrative targeting systems where possible—encouraging government to undertake its mandated responsibilities and supporting them where needed. In other cases relief committees are elected but with representation from government. SDC's DVD (SDC 2004) about its cash operations in Moldova explains the way this system actually worked. Its use of administrative structures is also documented in its internal review and evaluation of its Aceh cash for host transfer. Helvetas in Sri Lanka used administrative structures to register host families. However, because of perceived limitations with administrative targeting, the agency brought in an outside organization to monitor targeting, and it brought in a human rights organization to register beneficiaries for a subsequent livelihoods intervention (Adams 2006).

### 3.6.1.3 Strategies to limit inclusion and exclusion errors

A growing body of literature acknowledges that even the best of the targeting mechanisms suffer from inclusion errors (people who don't fulfil the criteria receiving assistance) and exclusion errors (people who fit the criteria not receiving assistance). These factors could, to some extent, be addressed through, for example, a system of detailed household level vulnerability assessments and rigorous beneficiary monitoring. However, the cost would need to be weighed against the return. General consensus is that



attention to minimizing exclusion errors is more important in humanitarian interventions to ensure that the most vulnerable do not miss out on essential assistance.

To address the possible shortcomings of the registration process, ICRC recommends the following steps to prepare beneficiaries for registration. “*One day before registration begins, display or read out in an appropriate place the names of people to be registered. [...] Such a transparent approach gives unregistered people the opportunity to approach the registration team if they want to appeal for inclusion.*” While using this approach might not be feasible in all circumstances, and the agency should be wary of the risk of public beneficiary identification leading to harassment or extortion), however, most agencies agree about the critical importance of transparency and information exchange in reducing registration inaccuracies and enhancing accountability.

#### 3.6.1.4 Beneficiary registration

Registration follows beneficiary identification. This is important for creating a “baseline” data set at the start of a new cash-based operation, facilitating accountability and subsequent monitoring.

The registration methods most often used by the implementing organisations fall into four broad groups.

- Listing beneficiaries based on ID and/or electoral card number. In specific cases where agencies such as UNHCR have already issued identification/refugee cards, these are also used by other organisations as reference document.
- Agency-prepared registration cards with beneficiary photographs.
- Smart cards containing electronic information about the beneficiary.
- Iris scan – requiring specialised equipment. This is difficult to operate, but is effective at reducing double-registration/fraud.

The choice of system for registration is influenced by a number of factors: operating costs, logistical constraints, capacity to operate, reliability of identification papers, social acceptance, size of programme and risk to resources/staff/beneficiaries.

#### 3.6.1.5 Sensitisation and communication

Where cash grants represent a new approach to assistance, organisations such as OXFAM and ACF include awareness raising activities among beneficiary communities, local authorities and implementing staff on the purpose and advantages of the selected approach. This is perceived as a vital part of the beneficiary identification and registration process, and a well-designed communication strategy brings dividends in terms of transparency and accountability.

In this regard, implementers mostly agree on the need for:

- local authorities and the local population to be made aware of the programme objectives, thus managing unrealistic expectations;
- the beneficiary population to be kept informed about the programme set-up and any changes;
- the beneficiaries should be made aware of their entitlement (cash/voucher amount or quantity), the uses for which the cash is intended, and the follow-up process;
- to the extent possible, all stakeholders – community, beneficiary, traders, authorities and agency staff, to be made aware about their expected involvement and responsibilities.

#### 3.6.1.6 Recipient verification

Beneficiary verification is a key stage in cash transfers included routinely by some organizations to check completeness and accuracy of the database. The most common approach used involves a three-step process.

1. Establishing what is an acceptable level of accuracy in-terms of number of beneficiaries sampled.
2. Carrying out random beneficiary sampling against the programme criteria.
3. Revising the beneficiary list if sampling shows errors exceeding the agreed acceptable limits.

There are additional methods used by other organisations for recipient verification. However, in all cases, to avoid unnecessary complications, the list is verified once it is complete and before being made public.

### 3.6.2 Database

Establishment of a database is fundamental to the accountability and payment aspects of the cash/voucher resource transfer mechanism. This is increasingly seen as an essential means of tracking delivery/receipt of entitlements, and to ensure against resource misuse/diversion. Databases used in cash operations have involved different degrees of complexity.

The ICRC/IFRC and SDC guidelines strongly recommend establishing a registration and monitoring database. Both suggest the use of Microsoft Access for developing a simple database spreadsheet. The ICRC/IFRC guidelines provide an indicative list of information to be included in both “minimum” and “detailed” systems for registration. Chapter 8 (Practical tool 8) of the guidelines suggests a basic data set for different types of projects. In addition to this, a number of other organisations with cash projects (interviewed during the evaluation mission), were also found to have their own beneficiary registration databases, for example, UNHCR in Afghanistan and Azerbaijan, PU & AAA in DRC, CARE, COOPI and UNRWA in Palestine. SDC’s database is relatively straightforward, but it contains the key elements required for monitoring and accountability, and it actively promotes the use of its database among other agencies implementing similar projects.

Organisations usually compile beneficiary data sets independently of each other (assuming the registered beneficiaries are not on other agencies’ lists). It is not uncommon for beneficiary information to be collected many times over in the same area, with the risk of duplication of assistance. While this is to some extent inevitable better coordination and sharing of data could reduce costs for smaller organisations and risk of duplication. These two aspects do not normally get studied or addressed in cash evaluation and guidelines. Some organizations have championed better sharing of information. For instance, Helvetas in Sri Lanka made available its dataset to the government authorities but it was unable to access similar information from other agencies working in the same area. (Adams 2006).

### 3.6.3 Cash disbursement systems

In parallel to beneficiary identification and registration process, organisations undertake assessments to establish the risks and advantages of different cash transfer options. Depending on the local context, a number of cash transfer options may be available to the implementing agency. These typically include:

- direct cash payments to beneficiaries by implementing agency;
- providing beneficiary with cheque to be cashed later at either bank or a pre-agreed local shop;
- transfer to beneficiary Bank and Post office account;
- local remittance and money transfer companies;
- providing beneficiaries with ATM cards allowing withdrawals at fixed and mobile cash dispensers;
- providing Smart Cards for cash withdrawals - containing recipient biometric information and capable of recording details of each withdrawals;
- money orders; and
- mobile phone banking, which is very new but is fast growing in places like Kenya, East Africa in general, the Philippines etc. DFID is supporting m-banking services to the poor in Kenya. It is seen as a system with massive potential for delivering cash in emergency/relief contexts, particularly in areas without landlines or conventional electronic transfers by banks.

All these systems come with their own necessities, advantages, and limitations. ICRC/IFRC, Oxfam and ACF’s cash guidelines provide an exhaustive list of the advantages, disadvantages and costs associated with each system. DfID has recently commissioned a study looking into different cash transfer options (DfID 2006). SDC routinely includes a test phase where a small sample is used to test the effectiveness of the cash distribution system.

#### 3.6.3.1 *Selecting the most appropriate cash transfer system*

Good practice in selecting and monitoring the most appropriate cash transfer system entails the involvement of finance staff as well as managers of the cash programme. In areas without formal banking systems, involvement of people with such skills and experience is critical to assess the risks associated with different cash transfer systems, and some organisations bring in this expertise from outside.

Deciding on the most appropriate and efficient system of cash transfer in a given context requires consideration of a number of issues. The following summarizes the key considerations identified in available guidelines.

- Short-list the most relevant cash transfer options in a given context as basis for further analysis.
- Establish the total value and the frequency of cash to be transferred.
- Establish risks to resources, beneficiaries and staff concerning short-listed cash transfer system(s).
- Compare direct and indirect costs. Estimate the total cost of cash reaching beneficiaries.
- Determine if average travelling time to the collection point by the beneficiaries is excessive; estimate the costs of this travel (as a proportion of the total grant) and consider increasing the grant accordingly.
- Establish the reach of short-listed cash transfer systems to beneficiary locations (e.g. can they offer a “mobile” service?).
- Compare the time needed, the complexity and cost of making short listed transfer systems operational.
- Establish the degree of fiscal control systems governing the formal cash transfer systems.
- Establish beneficiary perception (reliability/acceptance) of each cash transfer system.

This kind of analysis is useful when comparing formal as well as non-formal financial transfer systems. Where available, using a formal banking system is normally preferred, as this reduces risks associated with cash transfer and also allows beneficiaries the option of withdrawing cash in instalments. SDC’s cash workbook provides useful tools for Bank Assessment in the context of national government policies and fiscal environment. See [LINK 18](#) and [LINK 19](#).

In places, such as Somalia, where the traditional money transfer dealers are the only option available, a number of organisations have made assessments of the main cash dealers. Oxfam’s HQ examined the use of remittance companies to transfer cash in North East Kenya, and UNDP Somalia has reportedly taken the initiative to bring these organizations closer to mainstream financial systems. DfID has also examined “enhanced” cash transfer options. its study (by an international consultancy group specialising in financial services) of enhanced payment arrangements within social transfer schemes contains useful insights into the way that enhanced systems can bring multiple additional benefits for beneficiaries, in addition to efficiencies for implementers (see DfID 2006, DfID 2007a, DfID 2007b). These efforts together with new technological innovations, such as mobile-banking (also supported by DFID) are indicative of the progress underway at different levels in addressing—not avoiding—the challenges facing cash transfers in what are difficult circumstances. The focus of these initiatives is to meet beneficiary needs using the most relevant, efficient, and context–appropriate resource transfer system.

WFP’s feasibility study of cash transfers in Malawi (WFP/SICVP 2007) compared different cash transfer options, comparing the opening up of a bank account, the direct delivery of cash, and transfer through mobile banking and SMART cards as well as distribution through Farmers’ World trading outlets. The first three options were compared in terms of: geographic coverage, scalability, transaction costs, user friendliness, accounting/reporting, potential add-ons (credit, savings), security for beneficiaries, risk of fraud, leakages. The authors highlighted that in some cases an apparently high cost for an option might be worth covering if it was perceived as bringing particular advantages that would last beyond the duration of the project (e.g. the opportunities that might accrue from the opening up of a bank account). Nevertheless, a high cost for such “add-ins” (DfID 2007a) might end up by making cash a more expensive option than food delivery: the opening of bank accounts, the report noted, would make the cash transfer 15% higher than the cost of delivering food.

### 3.6.3.2 *Field Operating Procedures*

The operational procedures for managing cash in the field by UN agencies are specific to their internal financial rules and audit requirements and are therefore not discussed here. However, among NGOs there has been a clear development, in the last five years, in setting examples of how and what improvements are needed for field operating procedures (specific to a location/country) for handling cash. Oxfam has, for example, developed a number of field operating procedures for managing cash and its related risks. These procedures, although designed for Oxfam’s programmes in specific countries, are increasingly being adapted and used by other NGOs elsewhere. Two examples of cash management field operating procedures developed by NGOs are:

- Cash Transfer Procedures in Field – Oxfam Sri Lanka (see [LINK 20](#))
  - documentation process for cash payments
  - Filing and Audit Trail for cash payments
  - points to consider when carrying cash (reducing risk);

- guideline on the selection of traders for the Cash Grant system (Vignoud 2007). This was developed specifically for the post-earthquake response in northern Pakistan.

### 3.6.4 Operational Guidelines and Manuals

With increasing recognition of the specific operational needs of managing cash and voucher projects, some organisations have developed detailed operational guidelines and manuals for global use. The most important of these have been developed by SDC, Oxfam, ICRC/IFRC. In addition, there are also some other organisations, such as WFP, Horn Relief, UNICEF and ACF etc. that are in the process of developing their own operational guidelines for cash and voucher delivery and management. Together these resources provide a rich set of resources for implementers.

**SDC Cash Workbook:** SDC has a unique position as being both a donor and at times an implementer. SDC published its Cash Workbook as early as 2003 (accompanied by a CD with linked files). Recently updated, it was initially intended mainly for its own staff to help them set up rapid-response cash transfers after humanitarian disasters, and its earlier version was focused on SDC's own operational requirements and procedures. The revised edition is designed to be used by humanitarian organizations in general. This document is relevant for DG-ECHO as it shows how a donor could, through its own guidelines on the use of cash, establish key standards and promote good practices among its partners. The workbook is strong and specific on procedural issues, but as SDC does not undertake cash projects where banking facilities do not exist (or use vouchers), the value of the guidelines will be limited in many of DG ECHO's operational environments (less stable or remote areas with no banking system).

**OXFAM – Cash Transfer Programming in Emergencies (Creti & Jaspars 2006):** this was the first publicly accessible cash and voucher guidelines produced by an International NGO. It brought together tools, systems and practical experiences spanning the period 2000 to 2005. Its strength is that it is based on over five years of field experience and knowledge, and it provides a simple-to-use combination of operational and conceptual tools, systems, procedures and methods necessary for implementing cash and voucher projects in a systematic and accountable manner. It is one of the most frequently cited and used documents by both field practitioners and managers. It is available for sale and at no cost through the web. In addition to this document, Oxfam has over the last few years—based on experience during its operations responding to the Tsunami and the Pakistan earthquake—produced a series of new field operating procedures. These are cited in other sections of this review.

**ICRC/IFRC guideline for cash transfer programming (ICRC/IFRC 2007)** is aimed at addressing the needs of both planners and practitioners alike. It has drawn on and added to the resources developed by Oxfam, ODI, SDC and others, with a focus overall on ICRC/IFRC experience. As such, it provides clear and easy to use methods, guidance and practical tools.

**ACF's manual for implementing cash-based interventions** is still in production. It was designed to address not only the needs of planners and practitioners but also those of policy makers, sceptics and new comers to the subject. With such a wide-ranging audience, the document is not as systematic on tools and procedures as the ICRC/IFRC. Nevertheless, it is one of the most comprehensive manuals on the subject, with much information on voucher interventions, for example, which are covered in less depth elsewhere.

All in all, *the four guidelines issued by SDC, Oxfam, ICRC/IFRC and ACF have some areas of overlap but the special focus of each makes them useful and complementary as a set.* These provide not only a strong basis for implementation but also grounds for better knowledge and understanding of a resource transfer system that has often been subject to scepticism and perceived as risky for organisational accountability. What these documents highlight is that cash and vouchers are simply methods of delivering assistance, with their own operational realities and risks that are now being largely understood and addressed. These documents do not suggest that cash and vouchers are suitable to all contexts. They do, however, enable planners and implementers to reach a rational decision on the most appropriate choice of resource transfer.

Organizations which are currently developing their own in-house guidelines have incorporated them into general guidelines (e.g. WFP's EFSA handbook (published in 2005 and currently under revision), and SC-UK's Household Economy Approach Toolkit (published first in 2000 and currently under revision).

**ODI's cash learning project** developed a number of issue papers for specific topics that required greater clarity when they were produced. The ODI project resources also touch on a number of issues that are not

covered in guidelines published by implementing agencies (e.g. government relief assistance and compensation for death and disablement, policy regarding pre-disaster debt etc.).

#### **Recommendations for DG ECHO:**

1. The growing set of detailed operational guidelines and manuals mark the establishment of a high quality and comprehensive set of resources for most aspects of cash-based interventions. In addition, these provide a variety of tested “ready to use” tools to deal with associated risks and operational challenges, which could also form the practical basis for the application of DG ECHO’s policy on cash and vouchers. In this regard, DG ECHO’s value added-role could involve:
  - supporting training initiatives aimed at building its partners’ in-country capacity to manage cash and voucher projects (particularly following disasters where cash transfers may be an important component of the recovery process); and
  - supporting research initiatives aimed at exploring some of the less known and understood aspects of the use of cash and vouchers (see section 3.9, Current gaps: areas for further research).
2. Organisations implementing cash and voucher projects increasingly have field level operating procedures tailored to the local circumstances within which they operate. DG ECHO will need to specify the information that it requires from its partners when reviewing proposals and making funding decisions. This may include information on partner’s field-based operating procedures and arrangements for:
  - selection/procurement of cash transfer service providers (banks, remittance companies etc.);
  - cash transport, storage, insurance and its disbursement;
  - beneficiary verification, tracking and payment procedures;
  - risk management analysis concerning security of resources, staff and beneficiaries;
  - measures to reduce security and other risks.
3. Human resource capacity and training needs for dealing with the specifics of cash and voucher initiatives is just starting to receive due attention among the practitioners. For DG ECHO to deal with its own requirements of being able to review and decide on funding for cash and voucher projects, it will need to ensure that its field staff and HQ decision makers are systematically inducted into the broader aspects of cash/voucher initiatives. A good starting point for this would be the use of joint training initiative being currently piloted by Oxfam/SC/BRCS. DG ECHO may even consider funding such an initiative for a limited period of time, and this may enable the training to be extended to DG ECHO’s other partners.
4. It is premature to know whether DG ECHO will need specialist human resources, such as economists or cash experts, to deal with the challenges associated with cash projects. However, should it venture into new applications of cash-based assistance, such as through funding of large-scale unconditional cash projects, then this kind of specialist assistance should be considered. Whether this should be as permanent capacity or hired - as and when needed, this will have to be evaluated along with any expansion in the funding of cash and voucher initiatives by DG ECHO.

### **3.6.5 Human Resources (HR) and Capacity Building**

Attention to the implications of cash and voucher transfers for human resources has been fairly limited to date, mainly because small-scale pilot projects have been able to use temporary staff and consultants, or to shift existing staff away from their normal jobs for the duration of the pilot. The HR implications of large scale cash-based programmes has yet to be fully examined and appreciated. In addition, as one researcher pointed out, cash-based assistance has broader ramifications than just skills and knowledge—the shift to cash-based responses may require a change from paternalistic attitudes towards aid to something quite different (Harvey 2007, chapter 10).

Three British organizations have collaborated on the production of training modules for their own staff concerning cash-based assistance. The plan is to find an institutional “home” to take forward this training, and additional funding would enable the training to be extended beyond these agencies’ staff. At the same time there is need for context-specific learning *in situ*, which supports implementing agencies responding to a new emergency with the challenge of determining first what type of assistance would be most appropriate for different types of interventions, and then if cash or vouchers have a place in the emergency response and recovery operations, support is needed to help them design and set up cash and voucher interventions,

including monitoring systems. While the larger organizations have started to organize their own strategies to ensure capacity is available when needed, smaller organizations are likely to be unable to find this kind of expertise without external support and funding. SDC’s strategy—of sending a support person with cash experience to backstop the manager of the SDC emergency cash projects—seems to be a good approach when global experience within most organizations is relatively thinly spread.

### 3.7 Monitoring, Evaluation and Organizational Learning

Monitoring and evaluation are core elements of management systems that enable organizations to monitor progress against plans (activities, inputs), process (did we do it right?), and outcomes (impact on beneficiaries, impact on the wider community—did we do the right thing?). In general, M&E is often perceived to be relatively weak in many emergency recovery programmes. This section focuses on the M&E issues relevant for cash and voucher transfers, highlighting the available resources to guide implementers and examples of good practice. The final part of the section, which includes a discussion on pilot projects, gives examples of how some organizations have endeavoured to capture learning from a combination of well-designed pilots and M&E systems to define and revise organizational policy concerning the use of cash and voucher. [LINK 21](#) provides an example of an M&E system, developed by CRS for its cash voucher transfer in Kenya.

#### 3.7.1 Overall purpose of M&E

According to the authors of Save the Children’s “Toolkits” –among many other references-, there are three main purposes of monitoring and evaluation. In order to design strong systems, the authors argue, organizations need to be clear what they want them for.

**Box 3: Purposes of M&E**

- **Accountability:** to provide information on effectiveness/efficiency, to demonstrate that activities have achieved their objectives
- **Management support :** to provide inputs to the implementation of ongoing initiatives; to inform decision making processes
- **Learning:** to draw lessons on past and present activities with a view to learning why some achieved their objectives or unintended outcomes in order to plan future activities.”

*Source: (Gosling & Edwards 2003)*

As an essential outcome of M&E, learning is a critical element of an organization’s ability to improve its performance. The ability of individuals to learn, and the ability of organizations to harness this collective learning, is a key characteristic of strong organizations. As such, learning resulting from M&E should help understand: what are the issues? how should they be addressed? is the work going well or badly? is the work appropriate to the situation? how is the situation changing and why? how should the work be adjusted? (Gosling & Edwards *ibid.*).

Attention to learning can also help focus on longer-term issues, sustainability and impact:

- what sort of interventions are most effective?
- what impact – positive and negative – do they have on different groups in the short and long term?
- how should future policy and practice be changed in the light of these lessons? (*ibid.*)

#### 3.7.2 Monitoring

Monitoring (as distinct from evaluation) can be defined as “the systematic and continuous collecting and analysing of information about the progress of a project or programme over time.” (Gosling & Edwards 2003). While most monitoring systems focus on monitoring inputs and activities, Gosling and Edwards argue that agencies need to also consider: a) the wider impact of the work; b) the way the programme is managed (the style of work); and c) background information on the target population and the context.

While it may seem that cash and voucher projects require elaborate information systems, this is not advisable. Monitoring systems should be as lean as possible, but in order for them to be lean AND able to capture essential information, attention is needed to ensure that:

- no critical information is missed; and

- no information that has no clear use is collected.

The ICRC/IFRC guidelines set out basic principles of monitoring systems for cash transfers ([LINK 22](#)). The main types of monitoring approaches, used also for cash and voucher projects, are the following.

### 3.7.2.1 Progress/activity/input monitoring:

This is a standard element of most M&E plans. With cash it includes the actual transfer of the cash, and receipt of the cash by the beneficiaries. Regular monitoring is done comparing plans with actual delivery.

### 3.7.2.2 Post-distribution monitoring:

This is an important monitoring function that aims to pick up—at the earliest opportunity—any cause for concern. As the objective is to collect information on whether people received the cash as intended, it requires a “reasonable” sample, stratified to take account of variation within the beneficiary population. The methods for detecting problems must take into account the need for confidentiality (people may be discouraged from speaking out about major problems if the information is not recorded and processed properly). Vertical reporting of problems can sometimes be impeded because of the hierarchical line management structure. At the early stages of a project this type of information collection has the greatest importance (when the implementation is first tested); however, routine surveillance and detection of problems should continue through to the end.

A further goal of post-distribution monitoring is to find out whether people are able to access the goods they require in the market, and whether the cash disbursement systems are convenient. Focus group discussions combined with market survey are often found to be useful and sufficient for this purpose.

Post-distribution monitoring is also the most appropriate way of collecting information on what people used the money for. This is because reporting actual use is easier when it is still fresh in their minds. It is also necessary to consider how people’s spending patterns might change over the course of the project. Oxfam’s evaluation of its CFW project in Lamno, Indonesia, found different purchase patterns in the use of cash wages when comparing expenditures after the first and second waves of distributions (Brocklebank 2005).

In principle, post-distribution monitoring should be done routinely for cash and voucher transfers (just as it should for in-kind assistance). It requires the use of monitors who are not connected with the disbursement process and who will strive to identify concerns/problems so these could be dealt with in a timely manner. Methods used involve random sampling of people who are listed on the distribution list as having received cash or a voucher. It could also involve focus group discussions or private interviews with vulnerable households to see if there are any particular problems for marginalized groups, or if leaders are manipulating the system in some way. PDM should be quick and efficient, it should make sure that those responsible for the transfer are not the ones responsible for monitoring, and that there is a safe channel for communication of problems (see ICRC/IFRC guidelines Practical Tool 6 (shown below)).

#### **Box 4: PDM: Minimum set of questions that should be monitored**

- Did people get the right amount of cash?
- Were payments made on time?
- What are people spending the cash transfer on?
- Does this meet the programme’s specific objective [...]?
- Are the items that people want to buy available in the market?
- Where and how far do people have to go to buy what they want?
- How have prices changed?
- Has the cash distribution had an effect on prices?

*Source: ICRC/IFRC (2007)*

A key feature of monitoring systems is the need for a structure for reporting problems. Accountability, according to the Humanitarian Accountability Partnership—International (HAP-I) requires (a) the existence of a system through which information about corruption can be passed without risk to the information provider, and (b) confidence that the information provided will be acted upon (see also [LINK 23](#) for more information on accountability).



### 3.7.2.3 Impact monitoring

Impact monitoring can be done throughout the intervention period, but in humanitarian projects it is most often done at the end of the project during the evaluation. It may make use of the information collected during post-distribution monitoring activities (on what people purchased) and it might include a final check at a later date—particularly for asset-replacement cash transfers—to check whether the cash transfer has yielded a *sustained* improvement in asset levels.

Monitoring impact on beneficiaries and the wider community requires project *baseline information*. For cash and voucher projects this should include information about the household economy prior to the assistance (e.g. about access to food and basic needs, or asset levels). This could be incorporated into a project monitoring database (where information is collected from each beneficiary) or it could be sought through a random sample survey conducted before and after the project. The method used will depend on the information sought. Where impact on the market is an intended outcome, baseline market information (e.g. indicative information such as numbers of retailers/wholesalers/hawkers in an area, and approximate volumes of cereals traded) should also be collected to demonstrate change, but this is rarely done, in practice.

### 3.7.2.4 Monitoring Risk

A key aspect of project monitoring is to keep track of the risks identified at the project planning stage and the measures designed for mitigating these (see section 3.5.5.3, page 22). As such, the monitoring systems should be designed to regularly verify the adequacy of risk mitigation measures, the related contingency plans (see section 3.5.7.1, page 24), and identify risks that were not foreseen at the time of the planning. [LINK 24](#) provides a summary of key risks that need to be monitored during cash and voucher programmes.

## 3.7.3 Review & Evaluation

The process of review and evaluation should cover two fundamental questions: “Did we do the right thing?” And: “Did we do it right?”. These questions are pertinent for all types of humanitarian assistance—cash, voucher and in-kind transfers included—although evaluation of most in-kind assistance projects do not usually question whether alternative approaches might have been better. The UN Evaluation Group (UNEG) and other major stakeholders have therefore introduced a third key question: “Are there better ways of doing it?”. The importance of finding out “did we do it right” relates to the possibility that the *strategy* might have been good, but the achievements were limited by some elements of design, or the way it was implemented.

A forthcoming “Guide for the Evaluation of Humanitarian Aid by and for NGOs”, commissioned by DG ECHO, should be a very practical and comprehensive support for those designing and carrying out evaluations. These guidelines contain HTML links between the reference document, and references, tools and other support materials. A key feature of this publication is that it is underpinned by constant reference to humanitarian standards and principles.

Note: At times agencies choose to explicitly consider standards in their evaluation frameworks. Oxfam has used the Sphere standards to review projects – for instance in the tsunami response in Sri Lanka. [LINK 25](#) lists the key elements of the Sphere standards relevant for cash and voucher projects (mainly in the food security section).

### **Emerging best practices from cash and voucher evaluations (some examples):**

Given that no specific guidelines exist for the evaluation of cash projects, the following are some examples of what could amount to emerging best practices and approaches in this particular area of work.

#### ***Rapid Evaluation: Oxfam Voucher & Cash Transfer Pilot Project, Pakistan, 2005/6 (Ahmad et al 2006)***

This provides an example of where an evaluation is undertaken for the express purpose of learning about the intervention in order to improve similar interventions in the future. The evaluation was “rapid” and participatory, and its objectives included providing a qualitative picture of the household-level impact of the cash transfers as well as “documenting the unintended impacts, both positive and negative, that the programme is having, including disaggregated gender impact, markets, social relationships”.

The evaluation report first describes the broad effects of the earthquake in the area, then it identifies the Sphere Standards which are relevant to such cash and voucher interventions. The evaluation examines key elements of



the project, and for each element the evaluation team provided feedback to the programme, followed by suggestions for future projects. The areas considered included the following.

- Capacity (Readiness of programme team, and support provided).
- Project objectives.
- Resource transfer option, and other options which were not selected.
- Beneficiary Selection.
- Organization of distribution (location of distribution points, timing, visibility).
- Vouchers (examined through discussions with local traders and beneficiaries).
- Financial systems.
- Programme monitoring and evaluation systems.
- Evaluation of Impact.
- Evaluation of appropriateness of project design.

***Evaluation of Save the Children's cash-based emergency livelihood recovery programme, May to November 2006, Isiolo District, Kenya (O'Donnell 2007).***

The evaluation was conducted 7 months after the cash distribution, and its intention was to see what impact the cash had had, particularly on children. The goal was restocking, but the provision of cash meant that other purchases may have been prioritized. Cash for restocking pastoralists was a new experience for Save the Children Canada, and it was also reported to be uncommon in East Africa, so the evaluation was geared to generate learning on the use of cash for this purpose. The evaluation (which was led by one of Save the Children UK's livelihoods advisors at HQ), explored the following issues:

- the relevance of the project to the situation prevailing at the time;
- the extent to which the programme conformed to good practice both as a cash transfer programme and as primarily a re-stocking intervention;
- the coverage and accuracy of targeting;
- the perceived fairness of the programme;
- how the money provided has been used;
- how the spending of the money translated (or not) into benefits for children;
- how the project has impacted on the wider community including non-beneficiaries and livestock traders;
- the likely long-term/sustainable impacts of the intervention;
- the cost-effectiveness of the programme; and
- the coherence with other interventions carried out.

The evaluation provides a detailed and comprehensive account of the project impact and perceptions of key stakeholders; it explains decisions taken, and reasons for these decisions, and it identifies clearly areas for improvement. A noteworthy component is the identification of impact on children: as the cash enabled households to spend on a variety of needs, there was a specific intention to verify to what extent children had benefited. In this regard, the variables monitored included change in school attendance, and change in workload for children. An interesting discussion relates to the misinformation and assumptions that sometimes accompany cash transfers (the evaluation mentions staff and beneficiaries not being sure what people were "allowed" to purchase). This is an important point for cash transfers: *if a reason for providing cash is to enable choice, then pressure to spend in a certain way runs counter to this principle*. The evaluation also noted the impact on livestock prices of the transfer—a spike in cattle prices due to the one-time distribution of cash that could have been avoided if this had been anticipated.

***Evaluation of the Cash Consortium in Southern Somalia: Oxfam, Horn Relief, with AFREC, Development Concern and WASDA (Majid et al 2006)***

The evaluation of the Cash Consortium in Southern Somalia was conducted by a team of three external evaluators. The evaluation team included two individuals who had been involved in the design of the post-distribution monitoring and impact assessment survey from which the findings fed into the final evaluation. The evaluation made use of case studies (personal stories) which are effective in informing the reader about how the project worked in practice, and what it really meant to a beneficiary household. This report is one of the few evaluations attempted to compare cost-efficiency for the cash intervention and for an in-kind equivalent (see [LINK 26](#) and also section 3.5.5.1, page 22, which considers cost-efficiency at the planning stage). The evaluation found that *the costs of the cash programme were around 17% lower than the costs if the same assistance had been provided as food* (as in a food for work programme). The evaluators noted that this kind of purely comparative analysis has some important limitations. These included the fact that the two approaches have different targeting policies; they each had positive indirect effects on the local economy or food prices which were difficult to measure; and the scale of response was extremely different.

This evaluation also provides a rare example of longitudinal market analysis—used here to examine the impact of the cash transfer on the market (see [LINK 27](#)). The graphs showed that the cash transfer was one of several influences on cattle prices (along with high mortality rate and relief food distribution), which increased in markets close to the cash distribution compared to other markets. However, *the cash transfer had no discernable influence on the exchange rate, or on food prices*. In fact, *food prices were heavily influenced by the distribution of food aid* at around the same time.

In addition to above, the ICRC/IFRC cash guidelines (page 65-67) provide a useful table with suggested questions and methods/indicators for evaluation.

### 3.7.4 Pilot Projects

Most agencies have been engaging in cash and voucher projects on a pilot scale initially. This is a sensible approach dealing with what may be, for those who have historically specialised in commodity procurement and distribution, a daunting task.

#### **The value of pilot projects as an instrument of learning:**

Pilot projects are used by a number of organizations (for example WFP, ICRC, BRCS, Oxfam, DRC, CRS, Mercy Corps) to systematically learn from cash and voucher experience in order to guide organizational policy development around the use of cash and vouchers. These organizations have also used the pilot projects to test and refine tools (e.g. market assessment tools, methodologies (e.g. for community-based targeting), systems (e.g. for transferring cash), approaches (e.g. voucher fairs) and new ways of working with cash and vouchers (e.g. providing cash grants to communities rather than to individual households, or using these approaches to address nutritional needs of malnourished children).

One example of a pilot project is CRS's distribution of cash to households selected under the UNICEF NFI kit distribution programme in place of the NFI kits. The pilot objectives included the following.

- “To understand the actual household non-food needs of households selected for the UNICEF NFI kit programme implemented by CRS and Caritas Kindu.
- To assess the extent to which the [kit] was meeting household needs (as typically a household's “expressed need” differs from their “demonstrated need”, the latter evidenced by what the household actually procures to meet its welfare needs when given the choice).
- To understand intra-household decision-making, notably that of households that were targeted as being war-impacted and in need of non-food assistance.”

CRS's pilot project was extremely well designed, and the analysis and findings (which are informative, comprehensive and open) was published in the *Journal of Humanitarian Assistance* (Bailey & Walsh 2007).

In addition, organisations have found pilots to be invaluable in giving staff the opportunity to experience first-hand how it feels to be involved in a cash or voucher transfer programme. And it is through these pilot projects—arguably far more than through classroom training—that the attitudes and pre-conceptions about cash are addressed, as their confidence and competence to manage these initiatives increases.

Pilots have also been used by many of DG ECHO's partners to demonstrate the efficiency and effectiveness of cash and voucher projects. They have also been used to challenge some of the perceived assumptions about risks associated with cash, showing that risks exist with cash as with in-kind transfers, but if correctly anticipated they can be managed and minimized. Some of DG ECHO's partners have had to seek funding from other donors to fund such pilots (e.g. Oxfam's cash transfers in Somalia, the Danish Refugee Council's cash transfers to vulnerable households in Chechnya). These pilots are good examples of well thought-out interventions, where the implementing agency had good reason (because of strong analysis and experience elsewhere) to expect an objective outcome. *Funding this type of pilot project is a low-risk and high-return strategy that could promote organizational learning around cash and vouchers both within DG ECHO and its implementing partners*. However, in order for a pilot to be useful a strong monitoring and evaluation system is imperative.

#### **Limitations of some pilot initiatives:**

While learning through pilot projects is useful in helping build confidence and develop competence and systems, there are some issues that can't be properly tested through pilot projects. These include, for example, the implication of cash and voucher transfers on food prices and local markets. While there are a

number of agencies involved in improvements to market assessment methodologies, there are still questions that remain unanswered due to the small scale of cash transfers to address food insecurity:

- has the potential for markets to respond been *under-estimated* until now?
- Are there additional market development activities that would be effective in complementing cash transfers and in helping the market to respond?

While it is difficult to justify using large-scale interventions to test theoretical questions such as above, at some point implementers and donors will have to go to scale so that the current limitations of econometric modelling are addressed. This will require:

- strong analysis and well-considered design elements;
- clear articulation of “unknowns”, risks and anticipated scenarios;
- a strong and sensitive monitoring system to detect problems as they arise; and
- contingency plans to address problems if/ when they arise..

It has to be recognised that predicting the impact of disasters on local and regional production and markets is often extremely difficult to gauge accurately. Also, it is virtually impossible to determine and predict the cumulative and aggregate effects of a large scale cash injection into economies which are hugely changed from the status quo (pre-disaster state), and where change occurs daily and is largely unpredictable. The prediction of outcomes of a particular policy intervention is termed *ex-ante* evaluation of policy reforms by economists. It is essentially a “what if?” analysis of the likely behaviour outcomes of a policy intervention (Bourguignon and Ferreira 2003) and while there has been growing interest in using these models in developing countries (because of the growing use of cash-based safety nets), the use of such tools in humanitarian contexts has been very limited.

Another point to make about pilot projects relates to the timeframe for interventions. Cash projects are effective during a *defined window of opportunity* (which may be different from that of in-kind assistance). In many cases the time it takes to set up a pilot project may mean the response comes late and/or that the advantages of a cash approach are less than they might have been (in for example, stimulating market recovery). Moreover, most pilot projects tend to be small scale, implemented in a contained environment, and for a pre-selected context with, for example, very low risk of inflation. As such, learning from such initiatives comes with relative limitations.

### **Potential Pitfalls of pilot projects**

Pilot projects should in principle lead to a scaled-up approach. Ideally this would be within the same environmental and operational context. For example, CARE’s MBFA in Aceh was designed initially as a pilot project for three months in selected areas of one sub-district where it was seen to be most appropriate. When these sites were selected the team had also selected other sub-districts assessed as suitable for a cash/voucher approach—thereby defining from the start its target population for scale up. In fact the project was scaled up to a limited extent before the end of the pilot period, as the results had been extremely positive but it could not be scaled-up as much as CARE proposed, due to lack of buy-in from government and other food aid agencies (who had not been involved in the pilot project).

Based on above and other similar examples, it is concluded that the effectiveness of pilot project largely depends on the extent by which it meets the following conditions.

- Articulation of the reason for the pilot: why does the agency prefer to undertake a small-scale intervention (particularly if needs of other similar populations are either not being addressed at all, or are being addressed by in-kind transfers)?
- Project plans should anticipate and articulate the transition (including the timeframe) from pilot to full-scale implementation, if successful.
- Clearly articulated learning objectives for the organisation, its donor, and possibly larger humanitarian community.
- Plans to inform and involve authorities and other agencies where useful (e.g. where they are sceptical of the approach, or where they would like to adopt the approach but lack confidence and experience).
- Donor willingness and ability to fund both pilot projects and its scale-up.

Key concern around the pilot projects is that these get used for the sole benefit of being small scale and therefore easier to justify and implement. As a result, the tendency with many pilot cash and voucher projects seems to be that these are undertaken in succession (going from one pilot to another pilot) with variable degrees of clarity about the learning and the scaling-up objectives. This often has to do with the

experience, capacity and confidence of both implementer and donor in the design, delivery and funding of cash and voucher initiatives.

To avoid potential pitfalls, it is vital that the pilot projects are used for what they are intended: testing a well-planned but new approach, learning from it, and applying the learning at a cost-efficient (larger) scale—preferably within the same project’s life cycle.

### **3.7.5 Organizational Learning: closing the circle**

Organizational learning requires a systematic approach by putting in place structures, policies and funds to collect and analyse information on programmes with intention to learn from the experience.

Many organizations have strong systems for organizational learning, although in humanitarian situations learning is often constrained by high staff turnover, short funding cycle, and/or lack of time to document the experience. [LINK 28](#) gives examples of how a number of organizations promote and manage learning. SDC is the only organization that appears to have a specific strategy for knowledge management. See [LINK 29](#) for a summary of SDC’s knowledge management framework.

Organizational learning is the final link in the programme management cycle. M&E systems are key to helping staff learn from experience, but in addition there needs to be an environment where people feel comfortable to learn from their mistakes as well as their successes. The key points for cash and voucher projects are to respect the “do no harm” philosophy—avoiding “below the line” mistakes—but to allow the free and open discussion of experience, with the view of continually improving on performance. A combination of methods are necessary to generate a strong mix of quantitative and qualitative information, and more routine publication of findings and experience so that learning is shared more widely.

**Recommendation for DG ECHO:**

DG ECHO has considerable experience of funding certain types of cash and voucher projects, such as Cash for Work and Seed voucher fairs etc. However, the limited scale combined with limited attention to learning has meant that the emerging experience has not been systematically studied, documented and/or disseminated. As part of its new resource transfer policy, DG ECHO is recommended to establish a clear learning policy and/or knowledge management strategy, linking it to well-designed projects - pilot and regular, ensuring systematic application of monitoring and evaluation tools, and establishment of an information management and learning dissemination system. The following areas requiring specific attention.

Learning through scaling-up: although having experience of funding small-scale cash and voucher projects, such as CFW etc, DG ECHO needs testing and learning from the implications of scaled-up cash transfers. To achieve this, it is recommended to consider engaging some of the main organisations - with experience and competence, by funding their plans to implement cash and voucher projects at a larger scale.

Formal training: DG ECHO is recommended to expand its in-house cash and voucher training. In addition, it should aim to broaden the offices and desks with knowledge and experience about cash and vouchers. DG ECHO could also take a leading role in supporting wider inter-agency learning initiatives aimed at creating a stronger knowledge base to help agencies develop context-specific resource transfer approaches.

Monitoring: in addition to input and results monitoring, DG ECHO is recommended to encourage partners to include impact and/or post-distribution monitoring. These have clear advantages for learning and control but they carry implications for time, capacity and costs. Monitoring systems should be tailored to track both the risks identified and the mitigation methods designed at the planning stage, thus allowing decision makers to take timely corrective measures by activating contingency plans.

Evaluation: for cash and voucher projects, DG ECHO should ensure that both the need for and the objectives of evaluation are agreed and documented at the design stage, thus ensuring that in addition to its control function, evaluation findings also contribute towards organisational learning. Three main questions recommended for routine consideration in evaluations are:

- Did we do the right thing? (validating resource transfer choice and process used for managing it)
- Did we do it right? (verifying the impact on beneficiaries and wider community).
- Are there better ways of doing it? (looking at possible alternative approaches).

Pilot Projects: DG ECHO is recommended to consider funding cash pilots where a certain procedure, approach or system needs to be tested because of a new context, a new target group, or a new type of cash/vouchers initiative. Many aspects of cash and voucher use in humanitarian contexts remain largely uncharted within DG ECHO in terms of operational learning and clear guidelines. Funding of pilots to study such areas has the potential for bringing valuable knowledge to DG ECHO itself, its partners and the wider humanitarian community. These include:

- unconditional cash grants in early stages of emergency recovery;
- the use of cash for shelter (supporting hosting, helping households construct transitional shelter);
- the use of cash for transition from humanitarian relief to livelihoods recovery (use of cash grants for replacement of assets and as start-up capital for an income generating project); and
- provision of cash in place of NFIs.

In order to make decisions on whether to fund a cash/voucher pilot project, DG ECHO is recommended to ensure three key considerations are addressed:

- clarity about the learning objectives of the pilot and plans/systems in place to capture the learning;
- timing and conditions for implementation to be most conducive to the pilot objectives; and
- where applicable, clear plans to be defined for transition out of pilot phase and into scaled-up programme.

### 3.8 Coordination

The coordination of humanitarian aid is a key issue for cash and vouchers, not least because if coordinating bodies do not routinely make sure that sectoral working groups discuss different options for resource transfer, then it is likely that most agencies' responses will default to what they have traditionally specialised in: in-kind assistance.

The ongoing review of the UN system includes the testing of a revised structure for dealing with humanitarian disasters, known as the UN cluster approach. The first occasion where the cluster approach was used was the South Asia/Pakistan October 2006 earthquake response. Action Aid's review of the cluster approach highlighted a number of issues which required attention (including the limited involvement of NGOs in the cluster system and participation at meetings by donors, confusion regarding the difference between clusters and sectors, and the slipping through the net of cross-cutting issues). For some clusters if the in-country cluster lead has limited or no experience in the use of cash and vouchers, or if its policy does not include the use of approaches other than in-kind assistance in humanitarian response, then the tabling of discussions on different resource transfer options may not occur.

DfID's CHASE<sup>15</sup> team has an ongoing programme to build capacity in post-disaster agency coordination. This work currently focuses on systems (examining the role of the humanitarian coordinator and others regarding decision-making power, and improving humanitarian coordinators' skills) but they have not yet started to examine thematic issues or cross-cutting issues such as the use of cash/vouchers.

#### **Recommendations:**

1. DG ECHO is recommended to encourage the sectoral working groups (or the UN cluster system) to table discussions regarding resource transfer options within relevant sectors. These discussions should examine the most appropriate type of response to address needs, and reports on activities should actively consider the aggregated effect of the different resource transfer options being used by different agencies in different areas.
2. If information is lacking to determine whether cash or vouchers might be appropriate, or impact on the market of these activities, DG ECHO should encourage partners to undertake market surveys, and fund such activities.

### 3.9 Current gaps: areas for further research

In addition to the areas where DG ECHO and its partners lack experience as specific types of projects lay outside policy parameters for cash and voucher projects, this section highlights broader issues where the aid community needs to learn more about issues relevant to cash and vouchers. These include a number of sectors where cash has been found to be effective, but where many agencies still have reservations about the use of cash and vouchers in principle or at scale.

- *Nutrition* (can nutritional objectives be met with cash and vouchers? Can cash and vouchers reduce malnutrition as effectively as supplementary feeding programmes?) CRS did a study on this in Kenya in 2006, and other agencies are planning to do similar studies.
- *Child protection*: the provision of cash support to orphans and vulnerable children after disasters is an area which has not attracted much attention. The Government of India provided cash transfers to orphans after the tsunami, as did UNICEF Aceh and the British Red Cross in Aceh. More attention is needed to explore how these programmes work in practice, how they are linked to child protection systems, and the minimum requirements to minimize risk of the cash transfer providing an incentive for unscrupulous individuals to try to exploit separated and unaccompanied children. Cash transfers for children demobilized from armed groups also needs attention (see Martin and Lumeya 2006).
- *Shelter*: the use of cash for temporary shelter has received little attention outside its key protagonists (SDC). This form of support can be a vital assistance that strengthens community solidarity after disasters (hosting), cash grants can help people find shelter solutions when those provided by government or other agencies is inadequate or inappropriate (e.g rent).

<sup>15</sup> Conflict, Humanitarian and Security Department.

- *Use of cash to stimulate the recovery of small traders.* While this may be considered a development activity, many humanitarian agencies are beginning to see it as a core component of an emergency response (e.g. Save the Children's cash grants to small traders in earthquake-affected areas of Pakistan).
- *The use of vouchers to help households access basic services*—where a humanitarian disaster occurs within an environment where basic services are funded through cost-recovery schemes. In-kind provision of food may not address the problem, and vouchers may be a good way of helping sustain such systems which are often negatively affected by income shocks caused by disasters.
- *The use of decentralized approaches to recovery which empower disaster-affected households to manage their own recovery* (e.g. through provision of community cash grants which enable communities to design/lead their own recovery).
- Possibly, *compensation for death/disablement and assistance with burial costs.* These were provided by the governments of India and Sri Lanka. Should attention be paid to these areas of need routinely? And what would happen if governments are not able to provide this type of support, or don't have the systems?

**Recommendation for DG ECHO:**

1. DG ECHO is recommended to encourage partners to undertake action research on these and other issues requiring further exploration. Setting aside funding for such types of research is recommended for DG ECHO consideration.

## 4. CONCLUSIONS

Within the series of two reports which make up the outputs from this work, the first report (evaluation of DG ECHO cash and voucher projects) highlighted a number of areas requiring attention and made preliminary recommendations for DG ECHO policy consideration. This second report (“Review”) has explored how other organisations and donors deal with cash and vouchers, identifying relevant examples that could be described as “best practice”. In each case, this report has attempted to articulate the relevance of each cited example or issue for DG ECHO and suggest final recommendations aimed at enabling DG ECHO to continue funding cash and voucher initiatives, to prepare for possible increase in demand for cash/voucher project funding, and also to formulate a resource transfer policy.

This report starts by providing an analysis showing that although the use cash and voucher initiatives (in the last six years) has been steadily increasing for most agencies, in terms of real value these still constitute a small proportion of the total resources dedicated by donors and organisations to humanitarian assistance. Projecting into the future, the report highlights the intention among organisations (both experienced and those just starting to use cash) to expand the use of cash and vouchers in humanitarian contexts. This is attributed to increasing confidence/competence of these agencies in managing cash-based assistance, as well as a growing appreciation of the usefulness of cash and voucher initiatives to achieve a wide range of objectives. However, the capacity of some organizations to implement cash/vouchers is often a key factor counter-balancing their apparent interest in using these approaches.

The conclusions and recommendations reached in this report are summarized below:

### 1. Approach to Policy on the use of cash and vouchers

In order to inform DG ECHO on policy options, this review looked at the way different organisations and donors deal with the subject of cash and voucher transfers by analysing if these are treated as “special” in some way, and whether organisations have specific policies concerning their application. It is based on this analysis that the report recommends to DG ECHO to consider (instead of a specific cash policy) developing a wider resource transfer policy for humanitarian assistance, in which cash and vouchers are two of the various recognised options available to the organisation and its partners. The report suggests that a wider resource transfer policy will have three main advantages:

- it is consistent with emerging wisdom that cash and vouchers should be treated as simply two of a number of resource transfer tools which help people access items and services that they need;
- it allows for cash and vouchers to be mainstreamed among DG ECHO’s resource transfer options;
- it promotes the practice of enabling the routine comparison of different resource transfer options, with the analysis considering the key principles of effectiveness, efficiency, beneficiary-first, accountability and ensuring that it is context-specific i.e. instead of appearing to promote cash and vouchers as a preferred means of resource transfer.

In addition, this review recommends DG ECHO to articulate its approach, position and funding flexibilities and/or limits in response to inflation for two scenarios regarding increase in prices of key commodities (and decrease)<sup>16</sup>:

- when anticipated, i.e. market assessments indicate these as a possibility at the planning stage;
- when not anticipated by market assessments (but it occurs during implementation).

Consistent with recommended resource transfer policy, DG ECHO should endeavour to encourage humanitarian coordination bodies to routinely examine advantages and disadvantages of different resource transfer options for a number of sectors: food aid, food security and nutrition (unconditional transfers, conditional transfers and work projects); the “NFI” sector; water and sanitation; shelter; and livelihoods recovery.

---

<sup>16</sup> Inflation is distinguished here from other risks because price fluctuation is *inevitable* over the lifetime of a cash/voucher project, and implementing agencies and donors need to *manage* this risk effectively. Experience to date has been inadequate to fully appreciate the implications of cash transfers for inflation, the extent to which inflation negatively affects different populations, and the relative advantages of alternative approaches which are likely to bring down prices (e.g. in-kind assistance).



Appreciating that it may take some time to develop and agree on a overall resource transfer policy, DG ECHO is recommended to issue (in the interim) a position paper and a guidance note on its funding of cash-based assistance.

## **2. Staff capacity and training**

Human resource (HR) capacity for dealing with the specifics of cash and voucher initiatives is just starting to receive due attention among the practitioners. Current guidelines and research contain limited reference to HR issues in general. Nevertheless, this report also observes that the more experienced organisations using cash initiatives tend to have either in-house capacity, or otherwise have resources enabling them to hire specialist services when needed.

For DG ECHO to be able to enhance its own in-house capacity to make sound decisions on whether to fund cash and voucher transfers, and to review and learn from interventions, it is recommended that field staff and HQ decision makers receive a systematic induction about cash/voucher initiatives. To this end, this report recommends DG ECHO uses (and possibly also funds) initiatives such as the cash training being currently piloted jointly by Oxfam/SC/BRCS, and to consider how best to support its smaller partners after major disasters to developing appropriate responses .

This review concludes that it is premature to know whether DG ECHO will need specialist human resources, such as economists or cash experts, to deal with cash and voucher projects. However, it recommends that, should DG ECHO venture into new applications of cash-based assistance such as the funding of large-scale unconditional cash projects, then use of specialist expertise should be considered.

## **3. Procedures and guidelines**

To underpin its policy on the use cash and vouchers, this review highlights the need for DG ECHO to provide its partners with guidelines and specify requirements, ensuring that these are consistent with the size, urgency, and complexities of the project and its environment. The USAID/OFDA guidelines for unsolicited proposals and reports provide a good example of this (USAID/OFDA 2006, see also [LINK 30](#)).

The areas that are recommended for consideration are:

- the type and extent of assessment and comparative analysis that partners should provide while recommending a particular resource transfer method;
- risk analysis related to different methods of resource transfer in the context in which the partner is operating; for example, use of unconditional cash in an area with no formal banking services etc.;
- cost-efficiency calculations anticipated for each prospective resource transfer option;
- contingency plans for dealing with anticipated scenarios for inflation in key commodities and any perceived risks to resources, staff or beneficiaries.

This review also concludes that the growing set of detailed operational guidelines and manuals provide a comprehensive resource for assessment, design, implementation, monitoring and evaluation of cash and voucher initiatives. As such, these could provide a “ready to use” practical basis for the application of DG ECHO’s policy on the use of cash and vouchers. In this regard, DG ECHO’s value added-role is suggested to include:

- supporting training initiatives aimed at building in-country capacity to manage cash and voucher projects (particularly following disasters where cash transfers may be an important component of the recovery process);
- supporting research initiatives aimed at exploring some of the less known and understood aspects of cash-based assistance.

This review observes that an increasing number of organisations implementing cash and voucher projects have field level operating procedures for delivering cash which are tailored to local circumstances. In the case of cash projects, for DG ECHO to be able to review and approve a proposal, it will need a good understanding of each partner’s field operating arrangements. It is in this regard that DG ECHO is recommended to specify the supporting information that it will need from the partner in its proposal. These may include, where relevant, the arrangements for:

- selection of providers of cash transfer services (banks, remittance companies etc.);

- cash transport, storage, insurance and its disbursement;
- beneficiary verification, tracking and payment arrangements;
- risk management analysis concerning security of resources, staff and beneficiaries; and
- measures to reduce security and other risks.

#### 4. **Instruments for information collection and management:**

Information requirements for determining the appropriateness of cash or vouchers in different humanitarian situations are many and varied. Moreover, there are also a variety of instruments and methods for collecting and analysing this information. In order to enable partners to make good decisions about appropriate methodology as well as about appropriate response, DG ECHO could add value in the following areas.

- Support initiatives which develop capacity and methods for situation and needs assessments in emergencies (including market assessment) by partners currently leading in this work. This might include continued support to WFP's SENAC project, and support to agencies such as Oxfam and Save the Children in developing/refining appropriate emergency livelihoods assessment tools.
- Ensure that this work is linked with disaster preparedness structures, with LRRD and DRR initiatives, and with initiatives aimed at enhancing the use of vulnerability assessment tools designed to enhance emergency response (e.g. the Integrated Phase Classification system).
- Consider supporting the expansion of the national livelihood zone profiling initiative instigated by FEWS-Net, to ensure that a set of information (including national livelihood zone profiles and national/regional market analysis) is available and accessible to operational partners for use in disaster preparedness and response planning. This set of information should be developed in all countries where humanitarian disaster is a recurring phenomenon within a situation of chronic poverty and vulnerability.
- Consider funding agencies with a strong background in rapid emergency assessments (using HEA or similar approaches) to undertake rapid emergency assessments after rapid-onset disasters (or during slow-onset disasters), and ensure that this information is made available to the broader humanitarian community.

Recommendations made in the evaluation report concerning DG ECHO's own instruments, such as the Single Form remains valid and are therefore not repeated here.

#### 5. **Organizational Learning, Monitoring & Evaluation:**

As part of its policy on resource transfer in humanitarian contexts, DG ECHO is recommended to establish a learning strategy which links the policy to well-designed projects (including pilots). This should ensure systematic application of monitoring and evaluation tools, and establishment of an information management and learning dissemination system. The following are some of the more specific recommendations in this regard.

##### *Learning about scaling-up:*

1. DG ECHO should test and learn about the implications of scaling-up of initiatives in the areas where it already has good experience, such as CFW etc. To do this, it is recommended to consider engaging some of the main organisations with experience and competence by funding larger cash and voucher projects if and when submitted.

##### *Learning through formal approaches:*

2. DG ECHO should expand on its own in-house training and experience-sharing programme concerning the use of cash and vouchers, e.g. by bringing in experts to facilitate such initiatives. It should take steps to ensure systematic dissemination of existing in-house experience on the use of cash and vouchers, so that knowledge and understanding is extended to all geographical desks and field offices.
3. DG ECHO should take a leading role in supporting wider inter-agency learning initiatives aimed at creating a stronger knowledge base for implementation of context-specific resource transfer approaches. It should consider working with external organizations which have led in this area in the past (such as ODI and IDS), as these organizations may bring a useful external, technical and theoretical perspective to complement the practical experience of participants from field programmes.

##### *Learning through Pilot Projects:*

4. DG ECHO is recommended to consider funding cash pilots where a certain procedure, approach or system needs to be tested because of a new context, a new target group, or a new type of cash/voucher initiative.
5. There are many areas concerning the use of cash in humanitarian contexts that remain largely uncharted in terms of operational learning and clear guidelines. DG ECHO is recommended to consider funding of pilots to study such areas. This should be with specific objectives of bringing valuable knowledge to itself, its partners and the wider humanitarian community. The research should have a primarily practical (rather than academic) purpose, and the level of scientific rigour should reflect the organization's learning priorities.

*Monitoring:*

6. In addition to input and results monitoring, post-distribution monitoring should be routinely considered as a standard component of monitoring immediate impact of all resource transfers i.e. how beneficiaries use the assistance.
7. Organizations should be encouraged to routinely include monitoring of market prices and other environmental concerns (e.g. security) and to develop monitoring systems which are appropriate to the level of risk and capacity constraints. With their specific learning and control advantages, these monitoring systems also entail time, capacity and costs that will require careful consideration.
8. Monitoring systems are to be tailored to track both the risks identified and the mitigation methods designed at the planning stage, thus allowing decision makers to learn and take timely corrective measures.

*Evaluation:*

9. In the case of cash and voucher (as it is already the case for the other activities), DG ECHO is recommended to continue ensuring that both the need for and the objectives of evaluation are agreed and documented at the time of project design, thus ensuring that in addition to its control function, evaluation findings also contributes towards organisational learning in a specific way.

*Knowledge Management*

10. DG ECHO should identify a location on its website for disseminating information about its cash and voucher experience, related policies and procedures, and funding opportunities, with a user-friendly search facility which helps interested organisations and individuals to access such information.

# ANNEXES

## ANNEX 1: Bibliography

Abdulai, A., C. Barrett and P. Hazell (2004) Does food aid really have disincentive effects? New evidence from sub-Saharan Africa.

Action Aid International (2006) "The Evolving UN Cluster Approach in the Aftermath of the Pakistan Earthquake: An NGO perspective". Action Aid International, London

Adams, L. (2005) Cash-based transfers - and alternatives - in tsunami recovery programmes, Humanitarian Exchange Magazine 32, December 2005

Adams, L. (2006) Learning from Cash-based Responses to the Tsunami — Final Report. London: Overseas Development Institute.

Adams, L. and Harvey P. (2006) "Learning from Cash Responses to the Tsunami". Issue Papers 1 to 6: (1) Analysing markets; (2) disbursement mechanisms; (3) Setting the value; (4) Cash and Shelter; (5) Livelihoods Recovery; (6) Monitoring & Evaluation

Adams, L. and Kebede, E. (2005) Breaking the Poverty Cycle: A Case Study of Cash Interventions in Ethiopia, HPG Background Paper. London: Overseas Development Institute.

Aheeyar, M. (2006a) Cash Delivery Mechanisms in Tsunami-affected Districts of Sri Lanka, HPG Background Paper. London: Overseas Development Institute.

Aheeyar, M. (2006b) Cash Grants and Microfinance in Livelihood Recovery: Experiences from Tsunami-affected Areas of Sri Lanka, HPG Background Paper. London: Overseas Development Institute.

Ahmad, N., Bashir R., and Troc H., (2006) "Rapid evaluation: Balakot tehsil Voucher & Cash Transfer Pilot Project", Pakistan. Winter 2005/2006, Internal report, Oxfam GB.

Ahmed A. 2005. "Comparing Food and Cash Incentives for Schooling in Bangladesh". IFPRI. Washington D.C.

Ahmed S. 2005. "Delivery Mechanisms of Cash Transfer Programs to the Poor in Bangladesh". World Bank, Social Protection Discussion Paper No. 0520. Washington D.C.

AIDMI (2005) When Cash for Work Works, All India Disaster Mitigation Institute.

Albu M., and Murphy E. (2007). Rapid Market Analysis Toolkit for Sudden-Onset Emergencies. Phase Two: The toolkit framework, key issues and deliverables (DRAFT). Practical Action Consulting/Oxfam GB. UK

Albu M., and Murphy E. (2007). Rapid Market Analysis Toolkit for Sudden-Onset Emergencies. Phase Two: Guidelines, Methods and Annexes (DRAFT). Practical Action Consulting/Oxfam GB.

Ali D., Toure F. and T. Kiewied. 2005. "Cash Relief in a Contested Area. Lessons From Somalia". ODI, Humanitarian Practice Network Paper No.50.London

Aysan Y., Aheeyar M., Harvey P., Satchithanandam S., (2007) External evaluation report on the Cash for Repair and Reconstruction Project Sri Lanka, Consortium of Swiss Organisations (Swiss Solidarity, Swiss Red Cross, HEKS and SDC), March 2007.

Bailey S., and Walsh S. 2007. The Use of Cash in Emergency and Post-Emergency Non-Food Item Programs – A Case Study from the Democratic Republic of Congo. Journal of Humanitarian Assistance

Bailey, S. "World Vision Lesotho Cash and Food Transfer Pilot Project Design Document". WVL/HPG/ODI, November 2007

Bangladesh Disasters and Emergency Response DER Sub-Group (2004) Monsoon Floods 2004: Draft Assessment Report.

Duyne Barenstein, J (2006): Housing Reconstruction in Post earthquake Gujarat, Network Paper 54. London: Overseas Development Institute

Barakat, S. 2003, Housing Reconstruction after Conflict and Disaster, Network Paper 43. London: Overseas Development Institute.

Barrett C. 2006. "Food Aid As Part of a Coherent Strategy to Advance Food Security Objectives" FAO, ESA Working Paper 06/09. Rome.

Barrett C.B., and Maxwell D. G., "Food Aid After Fifty Years: Recasting Its Role". Routledge Pubs, June 2005, 320 pages,

Barrett C.B., and Maxwell, D.G., "PL480 Food Aid: we can do better". Choices, Fall 2004, pages 53-57, American Agricultural Economics Association.

Barrett C.B., Lentz E.C., Maxwell D. G. "A Market analysis and decision tree tool for response analysis: Cash. Local purchase and/or Imported Food Aid? Background Briefing Paper, CARE Atlanta.

Barrientos, A. and J. DeJong (2004) Child Poverty and Cash transfers, Childhood Poverty Research and Policy Centre Report 4, Save the Children.

Basu K. 1996. "Relief Programs: When It May Be Better to Give Food Instead of Cash". World Development 24(1) (p.91-96).

Bitran, R. and U. Giedion (2003) Waivers and Exemptions for Health Services in Developing Countries, Social Protection Discussion Paper Series. Washington DC: World Bank.

Black, R. (2003) Soaring Remittances Raise New Issues, Migration Policy Institute.

Blackorby C. and D. Donaldson. 1988. "Cash versus Kind, Self-Selection, and Efficient Transfers"; American Economic Review 78(4) (p.691-700).

Bourguignon F., and Ferreira F.H.G., (2003). "Ex-Ante Evaluation of Policy Reforms using Behavioral Models" in Tool Kit for Evaluating the Poverty and Distributional Impact of Economic Policies, Chapter 6

Bramel P and Remington T (2007) CRS seed vouchers and fairs in Zimbabwe, Ethiopia and Gambia. ODI Humanitarian Practice Network, ODI 2007

Bramel, P., T. Remington and M. McNeil (2004) CRS Seed Vouchers and Fairs: Using Markets in Disaster Response, Catholic Relief Services.

Brandstetter R., (2004) Evaluation of OFDA cash for relief intervention in Ethiopia, prepared for: USAID/OFDA

British Red Cross Society Recent history of BRCS cash/voucher programming, A document for ODI cash programming conference - January 2005

Brocklebank I. (2005) Peer-to-peer Evaluation of Oxfam Cash-for-Work Program, in Lamno, Aceh, Indonesia. Oxfam GB.

Brown L. and U. Gentilini. 2006. "On the Edge: The Role of Food-Based Safety Nets in Managing Food Insecurity". UNU/WIDER, Research Paper No.111.Helsinki.

Building consensus for social protection: insights from Ethiopia's Productive Safety Net Programme (PNSP). DfID London.

CARE (2004) LIWP (Labour Intensive Works Programme) Evaluation.

CARE (2006) "White Paper on Food Aid Policy", CARE USA, Newsroom webpage, June 2006. .

CARE International, A Market-based System for Food Assistance: A Pilot Project Designed and Implemented by CARE International in Indonesia,

CARE International, The story in pictures and words of CARE's market based food assistance pilot project in Banda Aceh, Indonesia

CARE-USA (2005) White Paper on Food Aid Policy, November 23 2005

Catholic Relief Services/Ethiopia Program (2003) Evaluation of the Emergency Response through Increased Access to Seed, Water and Sanitation Project

Causton, A. and G. Saunders (2006) 'Response to Shelter Needs in Post Earthquake Pakistan: A Self Help Approach', Humanitarian Exchange.

Cekan, J., A. MacNeil and S. Loegering (1996) Monetisation: Linkages to Food Security?, Network Paper 17.

Christoplos, I. (2004) Out of Step? Agricultural Policy and Afghan Livelihoods, Afghan Research and Evaluation Unit, Issue Paper Series.

Chuzu P. and M. Viola. 2006. "Market-Based Food Assistance Pilot Project: Report of Final Evaluation". CARE International. Indonesia.

Clay E. (2007) "Getting it Right? The Doha Round Proposals on International Food Aid: A commentary on the proposals for food aid circulated by the Chair of the WTO Agriculture Negotiating Committee in the August 1, 2007 Revised Draft Modalities for Agriculture", ODI Background Paper, October 2007.

Clay, E. Riley, B. and Urey I (2005) "The Developmental Effectiveness of Food Aid: Does Tying Matter?" OECD Paris.

Coate S. 1989. "Cash versus Direct Food Relief ". Journal of Development Economics 30(2) (p.199-224).

Concern Worldwide (2006a) "Food and Cash Transfers: A new approach to predictable food crises". Concern, Dublin.

Concern Worldwide , Emergency Cash Transfers for Livelihood Protection in Lilongwe, Dowa and Nkhhotakota Districts, Malawi, Concern Worldwide, Project Proposal

Concern Worldwide. 2006b. "Malawi Food and Cash Transfer (FACT) Project. Tracing of Project Evolution, Planning and Implementation – December 2005 to April 2006". Lilongwe.

Corsellis, T. and A. Vitale (2005) Transitional Settlement: Displaced Populations, University of Cambridge Shelter-Project and Oxfam.

Creti P. (2006) "Evaluation of the Community Recovery Grants projects in response to Yogyakarta earthquake and Pangandaran tsunami, Indonesia". Oxfam GB.

Creti, P. and Jaspars S. (2006) Cash Transfer Programming in Emergencies, Oxfam GB.

CRS/Kenya (2007) Kenya Drought Emergency Response (K-DER), Rapid Assistance Programme (RAP): Final Evaluation. Catholic Relief Services, Kenya.

Curran D., and Leonard, H.B. (2005) "Recovery in Aceh: Towards A Strategy of Emergence" May 2005, HBS Working paper 05-082, Harvard Business School.

Darcy, J. and Hoffman, C.-A. (2003) According to Need? Needs Assessment and Decision Making in the Humanitarian Sector. London: Overseas Development Institute.

De Matteis, A. (2006) "Market Functioning in Turkana district, Kenya". Oxfam Kenya.

Devereux S. 2006. "Cash Transfers and Social Protection". Paper prepared for the SARPN-RHVP Oxfam workshop on "Cash Transfer Activities in Southern Africa", Johannesburg.

Devereux S., Mvula, P., and Solomon, C., (2006) "After the FACT: an evaluation of Concern Worldwide's Food and Cash Transfers Project in Three Districts of Malawi, 2006.

Devereux, S. (2002) Social Protection for the Poor: Lessons from Recent International Experience, IDS Working Paper 142.

Devereux, S. et al. (2005) Making Cash Count: Lessons from Cash Transfer Schemes in East and Southern Africa for Supporting the Most Vulnerable Children and Households, HelpAge International, Save the Children UK and Institute for Development Studies.

DfID (1999) Sustainable Livelihoods Guidance Sheets, DfID London, UK, April 1999.

DfID (2005) "Social Transfers and chronic poverty: emerging evidence and the challenge ahead". A DfID practice paper. October 2005

DfID (2006a) "Social protection in poor countries" Social Protection Briefing Note Series Number 1, January 06. DfID London.

DfID (2006b) "Using social transfers to improve human development" Social Protection Briefing Note Series Number 3, February 06. DfID London.

DfID (2006c) "Social protection and economic growth in poor countries" Social Protection Briefing Note Series Number 4, March 06. DfID London.

DfID (2006d). "Scoping report on the payment of social transfers through the financial system". Bankable Frontier Associates, Boston, Commissioned by DfID London.

DfID (2007a) "Enhanced payment options for social transfer schemes" Social Protection Briefing Note Series Number 5, June 07. DfID London.

DfID (2007b) "Payment of social transfers through the financial sector. Power point presentation, 15 September 2007". DfID/Bankable Frontier Associates

DfID (undated) "2. Cash Transfers in Drought Recovery Programmes: Benefits and Risks". DfID Key Sheet Series, Policy Planning and Implementation, DfID/Oxfam/Acacia/ Rural Focus.

Dietz, M. et al. (2005) Joint SDC-IFRC External Review of In-Kind and Cash Distribution Projects in 2003 in Zavkhan Aimag, Mongolia, Swiss Agency for Development and Cooperation and International Federation of the Red Cross and Red Crescent Societies.

Donovan C. ; McGlinchy M. J. Staatz and D. Tschirley ( 2006) Market Profiles and Emergency Needs Assessments: A Summary of Methodological Challenges Michigan State University for the World Food Programme

Donovan C. ; McGlinchy M. J. Staatz and D. Tschirley (2005) Emergency Needs Assessments and the Impact of Food Aid on Local Markets Michigan State University for the World Food Programme

Donovan, C. et al. (2005) Desk Review: Emergency Needs Assessment and the Impact of Food Aid on Local Markets, World Food Programme; Emergency Needs Assessment Branch.



Doocy, S. et al. (2006) 'Implementing Cash for Work Programmes in Post-Tsunami Aceh', Disasters, vol. 30, no. 3.

Duyne Barenstein (undated), Housing reconstruction in Tamil Nadu one year after the Tsunami, 2005

Duyne Barenstein, J. (2006) Housing Reconstruction in Postearthquake Gujarat, Network Paper 54. London: Overseas Development Institute.

Ellis, F. (2004) Occupational Diversification in Developing Countries and Implications for Agricultural Policy, DFID

Ewins, P. et al. (2006) Mapping the Risks of Corruption in Humanitarian Action, a report for Transparency International and the U4 Anti-corruption resource centre by the Overseas Development Institute.

Fagen, P. (2006) Remittances in Crises: A Haiti Case Study, HPG Background Paper. London: Overseas Development Institute.

FAO (2007): The State of Food and Agriculture: Food aid for food security?, Economic and Social Department, FAO Rome

Farrington J. and R. Slater. 2006. "Introduction: Cash Transfers: Panacea for Poverty Reduction or Money Down the Drain". Development Policy Review 24(5) (p.499-512).

Farrington, J. et al. (2005) Cash Transfers in the Context of Pro-poor Growth: Hot Topic Paper for OECD/DAC Povnet Risk and Vulnerability Task Group. London: Overseas Development Institute.

Federal Emergency Management Agency (FEMA) (2006) USA: \$4 Billion Now in the Hands of Disaster Victims.

Gentilini, U (2006). "Cash Transfers: A primer" WFP Occasional Papers No. 18, WFP/PDPS, Rome

Gentilini, U. "Social Protection and Cash-Based Transfers" presentation made at the annual WFP/NGO consultation, October 20th 2007, WFP/PDPS, Rome

Gosling L., and Edwards M., (2003) Toolkits: A practical guide to planning, monitoring, evaluation and impact assessment, Save the Children UK, London.

Government of Australia (2006) Australian Government Assistance to Far North Queensland Following Cyclones Larry and Monica.

Government of Jamaica (2005) Jamaica: Hurricane Victims in Clarendon Receive Final Payment.

Government of Pakistan (2006) Pakistan: Government Distributed Rs 45 Billion in Quake-Hit Areas So Far.

Government of Thailand (2005) Earthquake/Tsunami Victims Relief Efforts Department of Disaster Prevention and Mitigation.

Guluma Y., (2005) "Studies on Alternatives to Food Aid – Case Study DRC: Cash for work projects: Food aid/Food Security working group, October 2004, Save the Children UK

Haan, N. (2006) Integrated Food Security and Humanitarian Phase Classification: Technical Manual Version I, Food Security Analysis Unit Somalia.

Haan, N., N. Majid and J. Darcy (2005) A Review of Emergency Food Security Assessment Practice in Ethiopia, Humanitarian Policy Group, study commissioned by and prepared for the World Food Programme, Rome.

Hammond, L. et al. (2005) The Effects of Food Aid on Household Migration Patterns and Implications for Emergency Food Assessments, HPG commissioned report for the World Food Programme.

Harmer, A. and J. Macrae (2004) Beyond the Continuum: The Changing Role of Aid Policy in Protracted Crises, HPG Report 18. London: Overseas Development Institute.

Harrell-Bond, B. (1999) 'The Experience of Refugees as Recipients of Aid', in A. Ager (ed.) Refugees: Contemporary Perspectives on the Experience of Forced Migration. New York: Cassel.

Harvey P., and Holmes R (2007) "The potential for joint programmes for long-term cash transfers in unstable situations. A report commissioned by the Fragile States Team and the Equity and Rights Team of the UK Department for International Development". HPG/ODI London, August 2007

Harvey, P. (2005) Cash and Vouchers in Emergencies: An HPG Discussion Paper, Humanitarian Policy Group. London: Overseas Development Institute.

Harvey, P. and J. Lind (2005) Dependency and Humanitarian Relief: A Critical Analysis, HPG Report 19. London: Overseas Development Institute.

Harvey, P. and K. Savage (2006) No Small Change: Oxfam GB Malawi and Zambia Emergency Cash Transfer Projects — A Synthesis of Key Learning, Overseas Development Institute report for Oxfam.

Harvey, P. and N. Marongwe (2006) Independent Evaluation of Oxfam GB Zambia's Emergency Cash-Transfer Programme, Overseas Development Institute report for Oxfam.

HelpAge (2004) Age and Security: How Social Pensions Can Deliver Effective Aid to Poor Older People and Their Families.

HelpAge International (2005) South Asia: cash grants to tsunami affected older people have helped restart livelihoods, December

Heltberg R. (2007) "Helping South Asia Cope Better with natural disasters: the role of social protection". Development Policy Review (2007), 25 (6): 681-698

HELVETAS, Cash for Host Families (CfHF) Project summary for ODI meeting, May 2005

Herson, M. (2004) 'Putting the "H" Back into Humanitarian Accountability', Humanitarian Exchange, no. 24.

Hofmann, C.-A. et al. (2004) Measuring the Impact of Humanitarian Aid: A Review of Current Practice, HPG Report 17. London: Overseas Development Institute.

Hofmann, C-A. (2005) "Cash Transfer Programmes in Afghanistan: A Review of Current Policy and Practice", HPG Background Paper, June 2005. Humanitarian Policy Group, Overseas Development Institute.

Horn of Africa Relief and Development Organisation (HORN RELIEF) (2004) Emergency Cash Relief Program (ECRP) Final Report.

Horn Relief (2007) "Horn Relief Implementation Manual: A practical guide to Cash-Based Response in Emergencies", Horn Relief, Nairobi, Kenya. [hrnairobi@hornrelief.org](mailto:hrnairobi@hornrelief.org)

Hoskins, A. (2006) Markets and Emergency Needs Assessments: Cairo Workshop, World Food Programme, Emergency Needs Assessment Branch.

HPG (2006) Saving Lives through Livelihoods: Critical Gaps in the Response to the Drought in the Greater Horn of Africa, Humanitarian Policy Group Briefing Note, Overseas Development Institute

HPG Meeting Sri Lanka and Aceh emergency responses (focus on Aceh), Could cash have been used more in post-tsunami recovery?

ICRC/IFRC (2007) Guidelines for Cash Transfer Programming (2007), Geneva.

IFRC (2006) Cash and Vouchers Seminar, Geneva, 18–19 May 2006, Proceedings.

ILO (2005) ILO Guide on Responses To Support the Recovery and Reconstruction Efforts in Crisis-affected Areas in Indonesia. Geneva: International Labour Organisation.

IRIN (2005) ‘Pakistan: Tenant Quake Survivors Angry at Lack of Compensation’.

IRIN (2006) ‘Lebanon: We’re Not Just Fighters, Says Hezbollah’.

Jaspars S, Harvey P, Hudspeth C, Rumble L (2007) A review of Unicef’s Role In Cash Transfers To Emergency Affected Populations: EMOPS working paper. October 2007, UNICEF, New York.

Jaspars S., Harvey P., Hudspeth C., Rumble L., and Christensen D. (2007). A Review Of Unicef’s Role In Cash Transfers To Emergency Affected Populations: Summary Working Paper, UNICEF New York, October 2007

Jaspars, S. (2006) From Food Crisis to Fair Trade: Livelihoods, Analysis, Protection and Support in Emergencies, ENN Special Supplement Series No. 3, Oxfam and the Emergency Nutrition Network.

Jaspars, S. and J. Shoham (1999) ‘Targeting the Vulnerable: A Review of the Necessity and Feasibility of Targeting Vulnerable Households’, Disasters, vol. 23, no. 4.

Jenden, P. (1995) Cash for Work and Food Insecurity in Koisha, Southern Ethiopia, Relief and Rehabilitation Network, Network Paper 2.

Kebede, E. (2006) ‘Moving from Emergency Food Aid to Predictable Cash Transfers: Recent Experience in Ethiopia’, Development Policy Review, vol. 24, no. 5.

Khogali, H. and P. Takhar (2001a) ‘Empowering Women through Cash Relief in Humanitarian Contexts’, Gender and Development, vol. 9, no. 3.

Knox-Peebles, C. (2001) Impact Assessment of Save the Children’s Cash for Relief Project in Legambo and Meket (Wollo), Ethiopia, Save the Children.

Lautze, S. et al. (2002) Qaht-e-pool ‘A Cash Famine’: Food Insecurity in Afghanistan 1999–2002, Feinstein International Famine Center, Medford, MA.

Lautze, S. et al. (2003) Risk and Vulnerability in Ethiopia: Learning from the Past, Responding to the Present, Preparing for the Future, a report for USAID.

Lavey, J-H (2007) “Cash for work—compulsory savings Rapid evaluation report”. Sri Lanka Tsunami Response Team, World Vision, July 2007.

LeJeune, S. (2004) Rapid Household Economy Assessment Farchana Refugee Camp, Eastern Chad, Save the Children.

LeJeune, S. (2005) Rapid Livelihoods Assessment Post Tsunami in the Districts of Cuddalore, Nagapattinam (Tamil Nadu) and Karakial (Pondicherry Union Territory) South India, Save the Children

Levine S. (2007) “Cash-based programming for returning IDPs in northern Uganda: Does it make sense, and can it be done?” A study for the Royal Norwegian Embassy, Kampala.

Levine S., (2007). “Is cash a feasible alternative to food aid for post-drought relief in Lesotho?” September 2007

Levine, S. and C. Chastre (2004) Missing the Point: An Analysis of Food Security Interventions in the Great Lakes, Network Paper 47. London: Overseas Development Institute.

Levine, S. and Crosskey, A (2006) A household economy assessment of North East Turkana. Oxfam, Oxford.

Lindley, A. (2006) Migrant Remittances in the Context of Crisis in Somali Society: A Case Study of Hargeisa, HPG Background Paper. London: Overseas Development Institute.

Longley C. (2006) Seed Vouchers in Emergency Programming: Lessons from Ethiopia and Mozambique, HPG Background Paper. London: Overseas Development Institute.

Majid N., Hussein I., Shuria H (2007). "Evaluation of the Cash Consortium in Southern Somalia: Oxfam GB and Horn Relief with AFREC, Development Concern and WASDA. January 2007

Martin, S. and F. Lumeya (2005) 'Liberia: Payments to Disarmed Child Soldiers Create Protection Problems', Refugees International Bulletin.

Mathison, S. (2003) Microfinance and Disaster Management, Foundation for Development Cooperation.

Mattinen, H. and K. Ogden (2006) 'Cash-based Interventions: Lessons from Southern Somalia', Disasters, vol. 30, no. 3: 297-315.

Mercy Corps (2005) "Mercy Corps Cash-for work program Aceh", summary for ODI meeting.

Mercy Corps "Cash Based Interventions in Tsunami Response: Banda Aceh", December 2005

Meyer, J. (2006) A Market Based System for Food Assistance: A Pilot Project Designed and Implemented by CARE International in Indonesia.

Miamidian, E. et al. (2005) Surviving Disasters and Supporting Recovery: A Guidebook for Microfinance Institutions, World Bank Hazard Management Unit, Working Paper Series No. 10.

Nagarajan G (2001) Looking into Gift Horse's Mouth: Implications of Cash Grants for Disaster Response by Microfinance Institutions in Mozambique, USAID – Micro-enterprise Best Practices (MBP) Project, Nov 2001

Narbeth, S. (2004) Emergency Cash Relief to Drought Affected Families of Sool Plateau: Post Distribution Survey Findings, UNOCHA Somalia.

New York Times (2006) 'Hezbollah Leads Work To Rebuild: Gaining Stature', 16 August.

Nicholson M., "Cash transfers and food: integration of recovery tools in ASAL districts of Kenya. A review carried out for the World Food Programme". July 2007, WFP Kenya.

O'Donnell M. (2007) Project Evaluation: Cash-based Emergency Livelihood Recovery Programme. May to November 2006, Isiolo District ,Kenya. July 2007. Save the Children

O'Donnell M., (2005) "Rapid Livelihoods Assessment in Coastal Ampara & Batticaloa Districts, Sri Lanka", January 2005, Save the Children UK.

ODI (2006) Cash and Emergency Relief, An Overseas Development Institute conference. Oxfam, Haiti – Cape Haitien, Cash for work and grants in urban and insecure contexts

ODI Tsunami Cash Learning Project Workshop in Aceh, Indonesia to share experience and learning for cash interventions. ODI London

ODI Tsunami Cash Learning Project Workshop, 10th March 2006. A meeting hosted by ODI in Chennai, India.

ODI Tsunami Cash Learning Project Workshop, 15 & 16 July 2005. A meeting hosted by ODI in Sri Lanka.

OECD, The Development Effectiveness of Food Aid: Does Tying Matter?, 2006

Ormston K (2007). “Desktop literature review: cash transfers in rapid onset emergencies (DRAFT)”. DfID London.

Oxfam (2005) A Place To Stay, A Place To Live: Challenges in Providing Shelter in India, Indonesia and Sri Lanka after the Tsunami, Oxfam Briefing Note.

Oxfam (2005) The Tsunami’s Impact on Women, Oxfam Briefing Note.

Oxfam (2005a): food aid or hidden dumping: separating wheat from chaff, Oxfam Briefing Paper No. 71, April 2005

Oxfam (2005b): Making The case for cash: Humanitarian food aid under scrutiny, Oxfam Briefing Note, 8th April 2005

Oxfam (2006) Zimbabwe Urban Humanitarian Programme: Food Voucher System (FVS) Report – July 2006, Oxfam GB

Oxfam (undated) Final Report for DfID: Emergency Food Security Intervention, Niger

Oxfam and Refugee Council (2000) Token Gestures — The Effects of the Voucher Scheme on Asylum Seekers and Organisations in the UK.

Oxfam (undated), “Emergency Cash Transfer in Malawi and Zambia (ongoing programmes)”

Oxfam (undated), “Sahel Food Crisis, An experience of integrating cash vouchers in local markets”

Oxfam (undated), “Somaliland, drought and food insecurity”.

Oxfam (undated), “Sri Lanka, Tsunami Response”..

Peppiat D., Mitchell J., Allen P., (2000) “Buying Power: the use of cash transfers in emergencies” British Red Cross working paper, BRCS, November 2000

Peppiat, D., Mitchell J., Holzmann P., (2001) “Cash Transfers in Emergencies: Evaluating Benefits and Assessing Risks”, ODI/HPG Network Paper No. 35. London: Overseas Development Institute.

PMI/IFRC (2006) “Cash-based approaches to transitional shelter” – Lessons learned by PMI-IFRC Yogyakarta.

Rauch, E. and H. Scheurer (2003) Cash Workbook, Swiss Agency for Development and Cooperation.

Rawlings, L. and G. Rubio (2003) Evaluating the Impact of Conditional Cash Transfer Programs: Lessons from Latin America, World Bank Policy Research Working Paper 3119.

Red Cross Responses to Hurricanes Katrina / Rita – Donor Dollars At Work, American Red Cross, December 2005

RHVP 2007 “Lessons from Ethiopia on a scaled-up national safety-net programme”, Wahenga Brief Number 14, August 2007

Savage K. and A. Suleri (2006) Remittances in Crises: A Case Study from Pakistan, HPG Background Paper. London: Overseas Development Institute.

Savage K., and Umar E. (2006) "Independent Evaluation of Oxfam GB's Malawi Cash Transfer Programme", HGP/ODI, London

Save the Children (2003) Toolkits: A practical guide to planning, monitoring, evaluation and impact assessment, Save the Children UK, London

Save the Children (2005) Rapid Livelihoods Assessment in Coastal Ampara & Batticaloa Districts, Sri Lanka.

Save the Children (2005) Rapid Livelihoods Assessment Report: The Impact of the Earthquake on Livelihoods in Muzaffarabad & Bagh Districts Azad Jammu & Kashmir Pakistan, November 2005.

Save the Children (2005c) Livelihoods Assessment, NE Coast, Aceh Province, Indonesia. Save the Children 2005.

Save the Children (2007) "Investing in the Future: Save the Children UK position paper on the role of cash transfers in reducing child malnutrition, Save the Children UK, July 2007.

Save the Children (UK) (2007). Cash and Social Protection: Policy News

Save the Children UK (2001) Summary of Market Focus Group Discussions, Cash for Relief Piloting Project, North Wollo, 2001.

Save the Children UK (2003 ) Conflict and Hunger: An Economic Study of Food Security in IDP camps in Gulu District.

Save the Children UK (2006) Paying with Their Lives: The Cost of Illness for Children in Africa.

Save the Children, (2005) Cash Based Public Works Piloting Study Somali Region Ethiopia

Schubert, B, ( 2006) Cash for recovery: Feasibility study on a capital-based income generation scheme for tsunami-affected households in Trincomalee District, Sri Lanka, HPG Commissioned Report for Save the Children

Schubert, B. (2005) Social Cash Transfers — Reaching the Poorest, GTZ.

SDC (2003) Cash Approaches to Humanitarian Aid — A New Form of Direct Support.

SDC (2004) Cash for Drought Victims in Moldova. DVD produced by SDC.

SDC (2006) Cash for Host Families Project Aceh 2005, PowerPoint Presentation.

SDC (2007) Cash workbook: A practical user's guide for the preparation and implementation of cash projects, SDC 2007.

SDC and UNHCR (2002) Compensation for Shelter in Ingushetia.

Sesnan, B. (2004) 'The case for cash: Goma after the Nyiragongo eruption', Humanitarian Exchange, no. 28.

Shoham, J. (2004) Assessing the Impact of Humanitarian Assistance: A Review of Methods and Practices in the Food and Nutrition Sector, HPG Background Paper. London: Overseas Development Institute.

Smith, J. and K. Subbarao (2003) What Role for Safety Net Transfers in Very Low Income Countries, Social Protection Discussion Paper Series, World Bank.

Smith, J. and K. Subbarao (2003) What Role for Safety Net Transfers in Very Low Income Countries, Social Protection Discussion Paper Series, World Bank.

Sperling, L. and C. Longley (2002) 'Beyond Seeds and Tools: Effective Support to Farmers in Emergencies', *Disasters*, vol. 26, no. 4.

Sphere Project (2004) *Humanitarian Charter and Minimum Standards in Disaster Response*.

Sridar D., and Duffield, A., (2006) A review of the impact of cash transfer programmes on child nutritional status and some implications for Save the Children UK programmes.

Stites, E., H. Young, S. Titus and P. Walker (2005) *Non Food Responses to Food Insecurity in emergencies, a report by Tufts University for the World Food Programme, Strengthening Needs Assessment Branch*.

SUPSI, *A Comparative Analysis of Six Housing Reconstruction Approaches in Post-Earthquake Gujarat*, July 2005

Taylor, A., J. Seaman and Save the Children UK (2004) *Targeting Food Aid in Emergencies*, Emergency Nutrition Network, ENN Special Supplement Series No. 1.

Twigg, J. (2004) *Disaster Risk Reduction: Mitigation and Preparedness*, Good Practice Review 9. London: Overseas Development Institute.

UNICEF (2007) "Cash Transfer Programme for Orphans and Vulnerable Children". Power point presentation, UNICEF Kenya.

USAID/OFDA (2006) "Guidelines for Unsolicited Proposals and Reporting" USAID/OFDA December 15, 2006.

Vanbruaene M., and Perrin B. (in press): evaluation of humanitarian aid by and for NGOs: "A guide with ideas to consider when designing your own evaluation activities" (DRAFT)

Vignoud, F., (2006) *Guideline on the selection of traders for the Cash Grant system, Pakistan, Hazara Region*, Oxfam GB

WFP (2005) "Funding for Effectiveness" Executive Board Second Regular Session, Rome 7-11 November 2005; Resource, Financial And Budgetary Matters, Agenda Item 5. WFP Rome

WFP (2007) "The use of Cash transfers to beneficiaries in WFP operations: interim guidance for pilot projects", Operations Department and Policy & External Affairs Joint Directive, 15 May 2007

WFP/SICVP (2007) "Assessment of Appropriateness and Feasibility of Cash Response Options" WFP/SICVP, WFP Rome, June 2007

Willibald, S. (2006) 'Does Money Work? Cash Transfers to Excombatants in Disarmament, Demobilisation and Reintegration (DDR)', *Disasters*, vol. 30, no. 3.

Winahyu R & Acaye R (2005) *Food aid and the Market in Aceh: Observation of the impact of food aid to local market, and How food aid can be directed to help revive local economy?* Unpublished, Oxfam Aceh.

World Bank (2006) *Earthquake Emergency Recovery Project (2006) Livelihood Support Cash Grant: Operational Manual*. Washington DC: World Bank.

World Food Programme, Sri Lanka Cash Transfer Pilot Project, January 2006

Wu, T. (2006) *The Role of Remittances in Crisis: An Aceh Research Study*, HPG Background Paper. London: Overseas Development Institute.

Young, H. (2006) *Livelihoods, Migration and Remittance Flows in Times of Crisis and Conflict: Case-studies from Darfur*, HPG Background Paper. London: Overseas Development Institute.

## ANNEX 2: List of persons consulted

Clifford Mullins	DFID	Humanitarian Programmes Officer, CHASE
Rebecca Terzeon	DFID	Head, Humanitarian Institutions & Policy Team, CHASE
Tim Waites	DFID	Livelihoods Adviser, Policy Team
Nana Skau	DG-ECHO	Food Aid & Disaster Preparedness
Nick Wetherill	DG-ECHO	Programme Manager, Food Aid & Disaster Preparedness
Jean Michel Perret	ICRC HQ	Economic Security (Crops/Livestock specialist)
Philippe Guinand	ICRC HQ	External Resources Division
Sebastien Chessex	ICRC HQ	Head of Sector, Economic Security Unit
Simon Eccleshall	IFRC HQ	Senior Officer, Recovery Operations
Kevin Savage	ODI	Research Fellow
Paul Harvey	ODI	Research Fellow
Sarah Bailey	ODI	Research Officer
Laura Phelps	Oxfam	Food Security & Livelihoods Team
Lili Mohiddin	Oxfam	Emergency Food Security & Livelihoods Team
Nega Bazezew	Oxfam	Public Health Team (Engineer)
Pantaleo Creti	Oxfam	Emergency Food Security & Livelihoods Team
Sally Crook	Oxfam	Public Health Team
Suzy Fears	Oxfam	Programme Funding
Alex Rees	SCUK	Hunger Reduction Team
Heloise Troc	SCUK	Hunger Reduction Team
Michael O'Donnell	SCUK	Team Leader, Hunger Reduction Team
Matthew Wingate	SCUK	Emergency Response Team
Mathias Rickli	SDC HQ	Programme Officer
Daniel Endres	UNHCR HQ	Deputy Director Operations Services (Emergency)
Fedde Groot	UNHCR HQ	Chief of Section PCOS
Gesche Karrenbrock	UNHCR HQ	Deputy Director Operations Management Services
Anette Haller	WFP HQ	Programme Advisor
Jamie Wickens	WFP HQ	Associate Director of Operations
John Aylieff	WFP HQ	Emergency Director
Stephen L. Anderson	WFP HQ	Assistant to Associate Director of Operations
Steven Were Omamo	WFP HQ	Chief, Social Protection & Livelihoods Service
Ugo Gentilini	WFP HQ	Policy Economist