



**REALISING THE RETURNS:
FROM COMMITMENTS TO ACTION IN CASH
TRANSFER PROGRAMMING**

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INTRODUCTION

2017 is a year of extraordinary opportunity for the humanitarian sector to make the best use of cash transfer programming (CTP).

The argument about whether CTP should be used as a tool for humanitarian response has been won. Huge public commitments have been made, for instance through the Grand Bargain. In the next five years, billions more dollars of aid will be delivered through cash and vouchers.

Now the debate is about how to use CTP. Donors, agencies, governments and private sector partners are working hard to answer that question.

The opportunity lies in bringing our efforts together so that collectively we scale up the use of cash as quickly and well as possible, for the benefit of people in crisis around the world. We need to move fast, before the sunshine of political attention moves on to the next urgent priority.

SIX STEPS

The Cash Learning Partnership (CaLP)'s *Global Framework for Action* consolidates the high level commitments made by major actors into an action-oriented roadmap. It lays out six concrete and comprehensive steps to realise the potential of CTP:

1. Ensure sufficient funding is available for cash transfer programming.
2. Ensure cash and vouchers are routinely considered in a response, alongside other tools.
3. Build sufficient capacity for cash transfer programming.
4. Ensure quality in cash transfer programming.
5. Strengthen coordination of cash transfer programming.
6. Strengthen the evidence base, and invest in innovation.

Donors, agencies, governments and private sector firms are already working hard to achieve these objectives. Innovation is taking place at every level, in areas from using digital technology to developing new staff capacities, and from upgrading core procedures and IT systems to trialling new operating models. New links are being explored with government programmes and work on financial inclusion. Agencies are bringing together new evidence on how cash transfer programming can be best used in different sectors and contexts. New risks are being addressed, such as dealing with international financial regulations.

These efforts will require investment and leadership over several years, particularly when they involve driving change in large international organisations. The changes will have to be accompanied by continuing work to change residual attitudes around the risks of cash that must still be overcome.

CaLP plays a unique role in enabling organisations across the humanitarian sector to walk this road together. We enable the collective action needed to address fundamental issues, such as developing standards, strengthening evidence and learning from experience. We keep the spotlight on CTP in among many other humanitarian priorities.

IMPROVING AID

Cash transfer programming creates great opportunities to do aid better. It can drive up the value of aid that is delivered to beneficiaries, and boost their dignity and choice. Individuals often spend resources better on private goods than bureaucracies do. CTP can stimulate regeneration through local markets. It can significantly reduce inefficiencies and improve transparency.

Overall, it means that limited aid dollars can achieve more, in better ways, for more people. In many situations, CTP passes the acid test: how would you want to receive assistance if you were suffering crisis: a simple cash transfer, or a set of overlapping, in-kind donations?

CTP is not the only way of providing assistance, and is not suitable for many public goods, or in every situation. But, CTP is taking its place as a central component of high quality programming, carefully designed for the local context, rather than as something separate to other ways of delivering aid.

Many organisations are already experimenting with ways of realising the substantial benefits that CTP can bring. For example, operational agencies are outsourcing the delivery of cash to private sector firms. This can allow agencies to focus on other core activities, such as assessment, stakeholder engagement and programme management.

Collectively, organisations are building up and applying a base of evidence about how CTP can be best used in different contexts. Clusters are identifying how CTP can be best used in different sectors. A great deal of research is under way which is being applied in guidelines and standards. There are real opportunities to use CTP to bring together humanitarian and development activities, for instance by building on social protection systems.

WIDER REFORM

Cash transfer programming cuts across existing sectors and institutional arrangements, and so can disrupt and help reform them. It can be used for many different purposes and encourages a new level of collaboration among humanitarian agencies. It allows new entrants to demonstrate their value.

This can naturally conflict with the interests of existing agencies. Operational agencies and donors are used to operating with overlapping goals and considerable independence. As a result, leadership is often fragmented, quality can suffer and coordination is made more difficult – particularly within the very tough operating environment of an under-funded major crisis.

CTP shines a spotlight on these issues. It is not a magic bullet that will solve them all. But, as one of the ten commitments in the Grand Bargain, it has a significant role to play in tackling some of them, and is being built into current approaches and reform efforts.

The promise of CTP requires organisations to sacrifice some of their independence for the common good. A range of approaches are currently being trialled: Some involve agencies collaborating to share the same delivery mechanism; others go further, incorporating shared services for information management and beneficiary engagement; others go further still, moving to a single agency model, with donors choosing to fund only one agency to manage all cash transfers in a given context. These all influence organisational strategy and the flow of substantial sums of money, and are currently the subject of fierce debate.

There is growing experience of using unrestricted cash (“multi-purpose cash grants”) as a way of meeting people’s basic needs. New approaches are being developed to organise this in ways that coexist with sector-specific approaches that are already well established.

Further resources are needed to improve the coordination of cash transfer programming. The split of roles between coordination and operational control is the subject of continuing discussion. And more clarity is required to establish the position of cash coordination in the formal international humanitarian system.

We are now in the crucible of learning across all these issues about the role that cash transfer programming can best play in reforming aid. Alongside innovation, continual dialogue is needed to learn from experience and achieve the right balance of decisive leadership with more evolutionary change.

CONCLUSION

2017 is a golden time for cash transfer programming. We have the opportunity to make the most of this powerful way of providing aid – at a greater scale and with greater effect and efficiency than ever before. This is already allowing our limited funds to achieve more than ever before for people in desperate need around the world.

The Global Cash Forum is a major event to bring cash actors together to achieve the six steps, outlined above, to realise the potential of cash transfer programming.

We look forward to walking further along the road with you there.



The Cash Learning Partnership

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